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Established 1887

Iran Newspaper Publishes Draft Of Constitution

By William Branigan

TEHRAN, April 29 (WP) — Iran's proposed constitution provides for a council of Muslim religious leaders to review the laws passed by a unicameral legislature, according to a text published yesterday in a local newspaper. The second installment published today shows that the proposed constitution also effectively bans Communists from high office.

The newspaper Kayhan said that the draft it had obtained contained all but 8 of the proposed constitution's 168 points. It would provide for a president and a premier in a system similar to the French government.

Nasser Minarchi, a member of a committee charged with drawing up the document, confirmed that the articles published unofficially were generally accurate. He cautioned, however, that the constitution described was not the final draft.

The constitution represents the dream of Ayatollah Ruhollah Khomeini of institutionalizing a permanent "Islamic Republic." According to Ayatollah Khomeini and his supporters, the document will guarantee freedoms that were denied to Iranians under Shah Mohammed Reza Pahlavi.

Key Transition
The eventual ratification of the draft constitution by a constituent assembly would mark a key transition from the provisional revolutionary government dominated by Ayatollah Khomeini's Islamic committees.

The activities of the committees have aroused fear among many Iranians that an Islamic dictatorship would replace the shah's. Under a permanent elected government, the committees would be abolished although it is far from certain that their influence would disappear.

The new constitution has become a subject of keen curiosity here. A draft was supposed to have been published weeks ago, but this was delayed by debate over provisions, notably articles governing regional autonomy for minority groups.

Sources have confirmed that, according to the latest draft, the republic will have a single house of parliament and a president, both elected, plus a premier and a cabinet. The president would name the premier.



Georgi Vins (left) enters the Washington First Baptist Church yesterday with President Carter. Vins, a Baptist activist, was among five dissidents released Friday by the Soviet Union.



Valentyn Moroz, a leading Ukrainian dissident, raises a bouquet of flowers during a human rights rally in Philadelphia Saturday. He had been a prisoner in Soviet jails since 1965.

Five Dissidents Express Delight, Disbelief After Trade of 2 Soviet Spies Frees Them

By Pranay B. Gupta
NEW YORK, April 29 (NYT) — The five dissidents who were exchanged Friday for two convicted Soviet spies spoke yesterday of their disbelief at being released from prison, of their delight at being freed from the Soviet Union to New York, and of their hope that more Soviet prisoners would be freed.

"We still can't believe that all our camp burdens are behind us," said Edward Kuznetsov, reading in Russian from a statement. "Yesterday, we were still deprived of all rights; today, we are here in a country which for more than 200 years has been a symbol of freedom."

"We are here in the United States — and this is as incredible as if we found ourselves on the moon," he went on. "We are here — this seems inconceivable, it's difficult to get this through our heads. We still feel somewhat ill at ease wearing civilian clothes. We still haven't grown accustomed to free faces expressing good will."

The five told of harsh conditions, of being denied medical attention and the right to religious worship, of abuse and anti-Semitic epithets hurled by guards — and of the fact that, within minutes of being informed of their imminent expulsion from the Soviet Union, each man was told that he had been stripped of Soviet citizenship.

Soviet officials told them that their families would be permitted to join them abroad, the dissidents reported.

Mr. Kuznetsov, convicted in 1970 as a leader of an unsuccessful plot to hijack a Soviet plane to get to Israel, spoke at a news conference at the United Nations Plaza Hotel, barely 24 hours after he, Georgi Vins, Mark Dymshits, Valentyn Moroz and Alexander Ginsburg landed at Kennedy International Airport in a Soviet airliner. The plane picked up Valdik Enger and Rudolf Chernyav, the spies who had been sentenced to 50-year terms in the United States.

The case was the first in which Soviet citizens were exchanged for Soviet citizens.

The statement that Mr. Kuznetsov read was on behalf of himself, Mr. Ginsburg, Mr. Moroz and Mr. Dymshits. Mr. Dymshits was arrested with Mr. Kuznetsov in the hijacking plot; Mr. Moroz had been held on various charges since 1965.

"Thank God I am free," Mr. Vins, a leader of a group of Reform Baptists, the Initiavimki, also read a statement.

"I thank my Lord that I am free," he said. "I thank President Carter, the American Congress and all the Christians in the United States — and all the people of good will who have been interceding for us."

The Tories therefore are proposing to cut the basic tax rate from 33 percent to 30 percent and to reduce the maximum rate, which reaches 98 percent for a few people. They have given no figure for the overall revenue loss, but most independent analysts think that it might reach \$6 billion a year.

In addition, Mrs. Thatcher has pledged to increase spending on defense and law and order, at an estimated cost of \$4 billion a year, to reduce the deficit by at least \$2 billion and to meet about \$2 billion in pending pay raises for public employees. That means that she would need to find, very roughly, \$14 billion annually in savings or in new taxes.

Where the Labor politicians ask, No firm answers have been forthcoming, although it is clear that the Conservatives hope to sell off some nationalized industries and to raise some money by selling public housing to tenants. They might net as much as \$2 billion a year in this way.

Underlying the Campaign Britain: A Theme of Extremism

By R.W. Apple Jr.

MANCHESTER (NYT) — British voters as a rule care more about issues and less about personalities than U.S. voters.

Party manifestos, or platforms, are read closely here. The promises of politicians are scrutinized. Although campaigns in Britain last only two or three weeks, issues arise, spark intense debate for a time and fade away, to be replaced by others.

So it is in Britain's current electoral battle. Although the campaign began in earnest only on the Tuesday after Easter and will end on Wednesday, with the balloting the next day, a shifting pattern of concern and partisan gain is clearly discernible.

U.K. Polls Show Conservatives Lead, but With Smaller Margin

LONDON, April 29 (UPI) — Opinion polls released today showed Margaret Thatcher's Conservatives with a much smaller lead than in previous polls.

The Conservative lead over Prime Minister James Callaghan's Labor Party fell by 7 percent in a week, according to the latest survey by Research Services Ltd. for the Sunday Observer.

Conservative Party officials said that their private polls still gave them an edge over Labor that, translated into actual votes, would mean a working majority for them in Parliament.

The Observer gave the Conservatives an 11½-percent lead in the latest poll, against 18½ percent in a survey conducted April 17 and 18. A Gallup poll in the Sunday Telegraph put the Tory lead at 8 percent, up from 4½ percent a week before.

The Sunday Times, which is not being published because of a labor dispute, commissioned a poll that gave the Conservatives a 5-percent lead over Labor, a four-point drop.

Mr. Vins paused, then smiled. "I was delighted that the first book I saw in this hotel in New York was the Bible," he said. "For five years I was deprived of this book. There is no book that I cherish more," he said, his voice rising.

Mr. Vins was sentenced by a court in Kiev in 1975 to five years in prison, to be followed by five years of Siberian exile for defaming the Soviet state.

Like Mr. Vins, Mr. Ginsburg, who was sentenced to a third term last year of eight years in a strict labor camp to be followed by three in exile for anti-Soviet agitation, occasionally grew emotional during the news conference.

"We are still the same people that we were," he said, alluding to the fact that the dissidents had been stripped of their Soviet citizenship by the President of the Supreme Soviet.

"You can't tear Moroz away from the Ukraine, you can't tear me away from Russia — that is not within the power of the Supreme Soviet," Mr. Ginsburg, a writer, declared.

Asked whether he knew of the whereabouts and welfare of another prominent Soviet political prisoner, Anatoli Shcharansky, Mr. Ginsburg said that he had heard in his labor camp, Camp 385-A in the Mordovian Autonomous Republic southeast of Moscow, where Mr. Moroz and Mr. Kuznetsov also had been held, that Mr. Shcharansky had been transferred to a new prison at Chistopol in the Tatar Autonomous Republic.

Mr. Dymshits, like Mr. Ginsburg, spoke about conditions in the prison.

He described the material they passed as related data and added, "It wasn't that terrible." Mr. Hetu said a "complete damage assessment" based on the interrogation of the two convicted spies had been submitted to the oversight committees on intelligence in both the Senate and House.

Asked whether the National Security Council and the Justice Department had concealed information about the sale of data on CIA systems call Rhyolite and Argus,

Russians Hold Secrets of U.S. On Satellites

By Robert Lindsey

LOS ANGELES, April 29 (NYT) — Information about several secret satellite systems that the United States expects to use to help verify the proposed strategic arms limitation treaty with the Soviet Union was bought more than two years ago by Soviet intelligence agents, according to documents made available to The New York Times.

The loss of the information has never been made public by the Carter administration.

Two Californians, Andrew Lee and Christopher Boyce, who are serving long terms in federal prisons, were convicted here in the spring of 1977 of having attempted to sell documents to Soviet agents in Mexico City concerning a proposed CIA satellite system called Pyramid, which was never built.

But the National Security Council and the Justice Department concealed at their trials — and it was not disclosed until now — that the two men had sold data about two functioning CIA systems, called Rhyolite and Argus, as well as other satellite systems used by the agency. The two convicted spies outlined the nature of the data they had sold to agents of the KGB, the Soviet intelligence service, in debriefings with the CIA and FBI after their conviction. Copies of transcripts of the debriefings were obtained by The New York Times.

Herbert Hetu, director of public affairs for the CIA, acknowledged yesterday that the agency had found that Lee and Boyce "had passed papers on some other kinds of satellites, including surveillance satellites, to the Russians." But he said the papers were not operating manuals and had nothing to do with the operation of the surveillance satellites themselves.

"Not That Terrible"
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Asked whether the National Security Council and the Justice Department had concealed information about the sale of data on CIA systems call Rhyolite and Argus,

These sources said that the more the Russians know about the U.S. satellite systems, the easier it would be to mount a counterintelligence effort aimed at thwarting the satellites' value.

Knowing technical specifications and other data, the sources said, would make it easier to design countermeasures, which could include physical camouflage of the passing of satellites or transmission of erroneous data to satellites to deceive them.

The Soviet Union began encoding telemetry signals from their test missiles about six months after the arrest of the two Americans, although it is unknown what relation,

South Africa expelled three U.S. military personnel April 12 and ordered out U.S. Ambassador William Edmondson's 11-seat plane after charging that a secret camera in the plane was used to photograph strategic sites in South Africa. In retaliation, the U.S. government ordered two top South African defense attaches to leave the United States.

The ambassador's plane was used to ferry Mr. Edmondson and other U.S. officials, including the ambassador to Zambia, Stephen Low, to Rhodesia, and to several black-ruled states. These include Angola, Zambia, Tanzania, Botswana and Mozambique — the front-line states that support Soviet-armed black guerrillas in Namibia (South-West Africa) and Rhodesia.

The Sunday Times did not say whether the alleged photos were considered to have proved valuable to South Africa. The white-minority government is prohibited from flying its own planes over most of black Africa.

Most observers here long have assumed that U.S. and South African intelligence operatives worked closely together, especially in tracking Soviet satellite activities. It was not clear, though, why the South Africans were acting in a way — in expelling the Americans and making the spy charges — that seems bound to wreck any such relationship.

It has been conjectured that the Americans were learning more about South Africa's nuclear program than Pretoria wanted them to know. Another possibility is that the intelligence received was not as important as the advantages to be gained by alienating the United States from many black African states.

The black leaders may question U.S. sincerity in its opposition to South African apartheid if they believe that Washington engages in such close cooperation with the South African intelligence service.

While it was not stated in the Sunday Times' article, in all likelihood the intelligence sources quoted are South African.

"The idea is to discredit the Americans, discredit the West, to show that they [the black states] cannot trust the West," a South African official said. The aim of this tactic is to undermine U.S.-led diplomatic initiatives to find negotiated solutions to the region's racial conflicts, according to this reasoning.

Black Nations Allegedly Monitored U.S. Said to Supply Spy Photos to Pretoria

By Caryle Murphy

JOHANNESBURG, April 29 (WP) — U.S. intelligence agents gave the South African counterespionage service aerial photographs of hostile African states taken by a hidden camera in the U.S. ambassador's private plane, a newspaper reported here last night.

Quoting "intelligence sources," the Johannesburg Sunday Times said that the Americans gave the South Africans photos taken over the capitals of Angola, Tanzania and Zambia in exchange for secret information from the South Africans. This was only one instance of close cooperation between the two spying communities over several years, the newspaper's sources said.

While earlier Pretoria charges of U.S. spying with the plane in South Africa have strained relations between the two countries, yesterday's allegations could seriously affect U.S. ties with the black African countries said to have been photographed.

All consider South Africa their major enemy and each could be the target of military activity resulting from the intelligence that South Africa allegedly acquired.

The white-dominated government of Rhodesia, which receives some support from South Africa, has bombed both Angola and Zambia in recent months.

It was speculated here that the latest allegations may have been leaked to the Sunday Times to damage the Carter administration's carefully nurtured ties with black Africa.

(The U.S. Embassy in South Africa said today that "there is absolutely no truth" to the newspaper report, the Associated Press reported. A statement read by an embassy spokesman in Cape Town, however, acknowledged that the plane assigned to the U.S. ambassador did make trips to "other countries of southern Africa with the permission of the countries concerned," the AP said.)

decision by the end of the year as planned. European governments including France, which does not belong to the military arm of the alliance — may have to consider inter-European missile cooperation to deter Soviet strength in Europe.

According to Western intelligence reports, the Soviet Union has deployed in western Russia about 100 SS-20 rockets — each with three independent warheads — with a 3,000-mile range covering Western Europe and the Mediterranean. The Soviet buildup already can destroy all the NATO inventory in 10 minutes," said French strategist Pierre Gallois. The 300 warheads are enough to destroy all the missile silos, command bunkers and other hardened sites in Western Europe, NATO sources confirm.

This military edge has thrown a psychological and political shadow over the alliance. "If we cannot re-

Sithole Continues Election Protest

SALISBURY, Rhodesia, April 29 (NYT) — The Rev. Ndabaningi Sithole, whose party was badly beaten in last week's elections, said yesterday that his group would not take its assembly and Cabinet seats unless an international commission were established to investigate his charges of election irregularities.

Mr. Sithole also implied that his group might try to disrupt the installation of the government, which will be headed by Bishop Abel Muzorewa. The bishop's won 51 of 80 seats in the National Council.

(Continued on Page 2, Col. 1)

News Analysis NATO Arms Talks Test U.S.-Europe Ties

By Joseph Fitchett

PARIS, April 29 (IHT) — In a major test of the United States' relations with its European allies, NATO governments have started negotiations on how to counter a new Soviet nuclear threat to Western Europe spearheaded by the SS-20 missile.

To offset the Soviet firepower, the planners of the North Atlantic Treaty Organization have recommended basing in West Germany a new generation of U.S.-controlled nuclear weapons capable of sending warheads deep into Soviet territory. But Chancellor Helmut Schmidt, reacting to the growing political sensitivity over nuclear escalation in West Germany, has stipulated that any new weapons must be deployed in several NATO countries.

On both sides of the Atlantic, NATO supporters fear that, if the alliance fails to reach a collective

decision by the end of the year as planned. European governments including France, which does not belong to the military arm of the alliance — may have to consider inter-European missile cooperation to deter Soviet strength in Europe.

According to Western intelligence reports, the Soviet Union has deployed in western Russia about 100 SS-20 rockets — each with three independent warheads — with a 3,000-mile range covering Western Europe and the Mediterranean. The Soviet buildup already can destroy all the NATO inventory in 10 minutes," said French strategist Pierre Gallois. The 300 warheads are enough to destroy all the missile silos, command bunkers and other hardened sites in Western Europe, NATO sources confirm.

This military edge has thrown a psychological and political shadow over the alliance. "If we cannot re-

spond to this challenge," a NATO planner recently warned in Brussels, "it will open fissures in the alliance and create the worst U.S.-European security strains since France left NATO in the 1960s."

NATO's nuclear planning group, which met last week in Florida, recommended a mixed force of new long-range nuclear missiles, probably Pershing-2 ballistic missiles and ground- or air-launched Cruise missiles. NATO experts also are considering a new intermediate-range ballistic missile and submarine-launched Cruise missiles, which would relieve European governments from taking more nuclear weapons on their soil. The decision is expected to be made in December by NATO defense ministers.

"We can't afford another N-bomb fumble," said a Western diplomat, referring to NATO's failure to agree last year on deploying the neutron warheads. The potential

Sent to Election Commission After the 1976 Primaries

Trustee to Carter Adviser Questions Campaign Files

This article is based on reporting by Jo Thomas, Nicholas M. Horrocks and Jeff Gerth and was written by Miss Thomas.

WASHINGTON, April 29 (NYT) — The trustee overseeing the business interests of Gerald R. Carter while he serves as President Carter's adviser on the news media has expressed doubt, to a series of interviews, about the accuracy of the financial reports filed with the Federal Election Commission by the committee that handled Mr. Carter's 1976 primary campaign.

In question are hundreds of thousands of dollars spent by the Rafshoon advertising agency in buying advertisements for the Carter campaign in key primary states at a time when federal matching funds were cut off and the campaigns of Mr. Carter's Democratic rivals were losing ground.

The reports filed by the Committee for Jimmy Carter were prepared under the direction of Robert Lipshutz, now the White House counsel. The reports show that the Rafshoon agency extended as much as \$645,000 in credit, including \$211,000 for television time that had to be purchased with cash at a time when the agency itself was having financial difficulties.

William Stack Jr., an Atlanta lawyer who became the trustee of the Rafshoon agency when Mr. Rafshoon joined the White House staff last July, has insisted that the agency advanced no cash to the campaign. "Either they're wrong or I'm wrong," Mr. Stack said in an interview in Atlanta.

Rafshoon Records

Well-placed government sources say that a federal grand jury in Atlanta has obtained Mr. Rafshoon's records and that transactions during that period will be scrutinized by Paul Curran, the special counsel appointed by the Department of Justice to investigate whether funds from bank loans to the Carter family peanut warehouse were diverted to his campaign.

Mr. Lipshutz has said that the Carter campaign records filed with the commission, prepared with the help of the Arthur Andersen accounting firm, are "absolutely accurate." Ronald Eastman, the attorney who represented the campaign committee in the election, however, to make available any records that were not selected in the random audit. These are the bulk of the campaign records, now stored at the Georgia State Archives in Atlanta.

Mr. Rafshoon has referred all questions about his agency's part in the primary campaign to Mr. Stack, who explained that his role was to shield Mr. Rafshoon from distractions from his White House duties. Mr. Stack also has been negotiating the sale of the agency.

After being questioned for weeks, Mr. Stack said that he would ask his own accounting firm to review the Rafshoon agency's campaign-related documents, which he said he has not seen although he has questioned employees about agency policy.

Federal Audit

The Federal Election Commission's audit took 29 months and was released this month. Members of the commission and its staff have said that Mr. Rafshoon was never asked in the audit how his agency had been able to extend credit to the Carter campaign because the commission's policy is not to query third parties unless a compliance action is in the making.

Federal law forbids extensions of credit to candidates by a corporation unless these occur to the normal course of business. According

Vatican Reports Drop in Priests From '72 Figure

ROME, April 29 (NYT) — There were 406,717 Roman Catholic priests in the world at the end of 1977, down from 435,848 in 1972, the Vatican reported.

The figures include diocesan priests and members of religious orders who have been ordained to the priesthood. The Vatican's statistical service said last week that the number of priests abandoning the ministry without being released from their vows by the pope was 2,506 in 1977. The figure in 1972 was 3,747.

No figure was given for priests who had been laicized, or returned to the status of a layman, by the Vatican at their request. It is known that during the last few years of the pontificate of Pope Paul VI, who died last August, several hundred priests were released from their vows.

Hundreds of petitions to the Vatican from priests who want to abandon the ministry are understood to be pending. Pope John Paul II, in a letter to all priests April 9, indicated that such requests would be granted only rarely.

Refugees in Paris Protest Hanoi Rule

PARIS, April 29 (Reuters) — About 3,000 anti-Communist Vietnamese refugees marched in Paris today under flags of the now-defunct Republic of (South) Vietnam to mark the fourth anniversary of the fall of Saigon.

The demonstrators, led by Buddhist monks, waved placards which equated today's Communist rulers of Vietnam with Germany's World War II Nazi regime. The marchers handed out petitions denouncing alleged human rights violations in Vietnam.

Carter's Son Said to Smoke Marijuana at Protected Site

By Blaine Harden

WASHINGTON, April 29 (WP) — The Secret Service is installing an elaborate security system in an Arlington, Va., home visited regularly by President Carter's son Jeff, 26, and his wife, Annette. A knowledgeable source said that the unusual action is being taken because some agents assigned to guard the family have complained that they are uncomfortable in a house where marijuana is being smoked.

It is the only such security installation the agency has made in a home not occupied by people it is assigned to protect.

A source close to the Carter family said yesterday, "It is fairly common knowledge" in the White House that Jeff and Annette Carter go to the Arlington house to "listen to rock music and smoke dope." A spokesman for the young Carters said that they declined to comment.

Secret Service spokesman Ken Lynch refused to comment on the reason for the installation of the devices — said to be worth between \$2,000 and \$3,000 — other than to say it was for "security purposes." Mr. Lynch said, "We never discuss the personal lives of anyone we protect. No matter what actions our protectees take, we cannot discuss them." The owner of the house, who rents it to a 25-year-old woman on the White House staff, said that the service told her that the security devices will enable agents to monitor security inside the house while they are parked outside in a specially equipped van.

In the past, agents have been in the basement of the house when the Carters were there.

The renter of the house, Rhonda Bush, who works as director of correspondence for Rosalynn Carter, said that technicians began installing electronic equipment two weeks ago.

Values

Secret Service agents have hounded up against the values of children of presidents before Jack Ford told reporters in 1975, when his father was president, that he said nothing wrong with the "cautious" use of marijuana. "I've smoked marijuana before," he said.



Diane Wicks, her face bloodied, huddles with Timmy Lapping, 9, during a 30-minute sniper attack that killed two women and injured 50 other persons at a parade in San Antonio, Texas.

Sniper Kills 2, Hurts 50 at Texas Parade

SAN ANTONIO, Texas, April 29 (UPI) — A retired truck driver killed two women and injured about 50 other persons when he opened fire here on a crowd of parade watchers, then shot himself in the head, authorities said.

A police officer said that Ira Attebury, 64, killed himself with a .38-caliber handgun and a spent shell were found near his hand in the center of the parade route. He was wearing a .30-caliber Remington-Union assault rifle at the Battle of Flowers parade Friday.

"At first a couple of the officers thought they had shot him," a police officer said, "but the only wound on his head was a contact wound" — meaning that the barrel of the gun was placed

against his head, indicating a suicide. Attebury opened his assault by shouting "Traitors! Traitors! Traitors!" and firing at a group of seven police officers working along the parade route. Six of the officers were wounded.

"Didn't Like Policemen"

"He just didn't like policemen," an officer said. "That's as close to a motive as we can get. He left no notes, not at least that we've found yet. The people that were around where he lived said he didn't like police. He went there [to the parade] prepared to do what he did. He was just a real crazy guy."

Attebury, who lived in a trailer park, was described by his neighbors as eccentric and secretive. Authorities were interviewing relatives

and acquaintances in an attempt to learn his motive.

His brother Roy of Naylor, Mo., said that Attebury had been an independent trucker but lived on a disability pension in recent years and "couldn't do anything." He said that in the past few years, his brother's personality seemed to change and "he felt the police were following him all the time."

He said that his brother visited him in Missouri twice a year to see a doctor about a heart condition. Roy Attebury said that they were raised in a farming family of nine children and that his brother hunted frequently in the wilds near the Missouri-Arkansas border. He said that his brother served in the Coast Guard in World War II but that he knew of no firearms training that his brother might have had.

U.S. Finds Defects in Ford Co. Autos

By Richard Witkin

NEW YORK, April 29 (NYT) — The federal government last week made an "initial determination" that it had found a potentially fatal defect in the fuel tank used in almost one million 1970 to 1973 Ford Mustangs and 1970 to 1973 Mercury Comets still on the road.

The findings were much like those a year ago concerning the fuel tanks of 1971 to 1976 Ford Mustangs. The Ford Motor Co. eventually recalled 1.5 million Mustangs or Comets aimed at reducing the risk of dangerous fires.

The National Highway Traffic Safety Administration said in its announcement on Friday in Washington that the agency had had reports of at least 26 rear-end collisions resulting in at least 31 deaths. The move means that the sister agency would be ordered to recall the cars unless Ford calls them back voluntarily as it did with the Mustangs. A public meeting was set for May 29 at which Ford and the public will have a chance to give their views on whether the traffic safety agency, part of the Transportation Department, should impose a mandatory recall.

A spokesman for Ford said the company was evaluating the material received and would respond when it had completed its investigation.

Higher Casualty Figures

The casualty figures in the Mustang and Comet collisions reported by the traffic safety agency were proportionately higher than those accompanying the initial determination a year ago of a defect in the Mustang fuel tanks. Agency officials

West Germany Arrests 2 Arabs for Explosives

MUNICH, April 29 (AP) — An Arab arrested with illegal explosives on the Austrian-West German border told authorities that he was aiming to bomb an Israeli ship in Hamburg, police said yesterday.

A second Arab arrested in the attempted smuggling of 56 kilograms of explosives into West Germany was denied direct involvement in an alleged bombing plot, police said.

Officials said that the suspects had been identified as Mohammed Hamadee and Alim Yassin, both 33-year-old Lebanese. They were placed under formal arrest Friday, a day after they were seized by Bavarian border guards who discovered the explosives, which fuses and nine passports in a car of their rented car at a checkpoint.

Paris Bomb Attempt

PARIS, April 29 (AP) — Two shot crookily were thrown yesterday against the door of an Israeli apartment home with about 60 men residents. The devices failed to explode. A group calling itself the League of French Communists Against Jewish Occupation assumed responsibility.

to industry sources, advertising agencies normally do not give credit to political campaigns, but former employees said that the practice was not unusual at the Rafshoon agency.

The Carter campaign filed monthly financial reports during the primary campaign, then submitted a complete set of amended monthly reports three days after Mr. Carter was elected.

In the critical months of March, April and May, 1976, when a Supreme Court decision temporarily cut off federal matching funds, the

original campaign reports showed that the campaign's debts to the Rafshoon agency went from \$149,073 at the end of March to \$320,210 in April and to \$243,330 in May.

Amended Reports

The amended campaign reports contended that the campaign's debt to the Rafshoon agency grew from \$176,010 in March to \$350,349 in April to \$645,997 to May, 1976. The amended documents reported that the obligations dated to August, 1975.

In a series of interviews with The New York Times over a period of weeks, Mr. Stack said that the agency might have extended credit to the campaign for production costs but had a strict rule against advancing cash to purchase media time.

The campaign committee's amended reports, however, show payments in July and August on past debts to the Rafshoon agency that included \$211,190 earmarked for "television time," although some of the original campaign reports had described these as pay-

ments for television production costs.

Mr. Stack has said that not all of the "debts and obligations" shown on the Carter campaign's report reflected real debts to the Rafshoon agency. In May, he said, the \$645,997 debt consisted of about \$243,000 in production costs and about \$400,000 for advertising that the Rafshoon agency planned to buy and had billed to the committee but did not actually purchase until June.

The campaign records show that the campaign paid the Rafshoon agency only \$250,000 on those obligations in June. The remainder was paid in July and August.

It is not clear how the Rafshoon agency was able to underwrite television production costs for the campaign. Mr. Rafshoon said at the time that he was able to obtain credit from his own suppliers. Recent interviews with two principal suppliers — WTCG, an Atlanta television station, and the Magus Corp., a Philadelphia film company — disclosed that WTCG insisted on cash on delivery and that the Rafshoon agency usually paid Magus within 30 days.

Mr. Stack was in Paris to participate in a seminar sponsored by the U.S. Chamber of Commerce and the American Tax Institute. He spoke about the U.S.-French tax protocol, designed to avoid double taxation of Americans in France. The Senate Foreign Relations Committee has the protocol and must first approve it before the Senate can ratify it.

Not Considered Controversial

"The protocol is not expected to be controversial," Mr. Brockway said in an interview. "Hearings should be rapid and other treaties will not delay consideration."

Mr. Brockway said the entire process would be over by July.

Mr. Brockway conceded, however, that the SALT-2 debate in the Senate could postpone Senate ratification of the protocol.

The protocol is an amendment to the 1967 tax treaty between France and the United States. It became necessary when France moved to tax U.S. citizens here on their worldwide income. In February, 1980, Americans in France will have to declare their worldwide income to the French. If the U.S. Senate does not ratify the protocol by early 1980, Americans in France would be temporarily subject to double taxation on their U.S. income.

On other issues, Mr. Brockway said that congressional committees are studying the possibility of a value-added tax in the United States, conceivably to replace part of the payroll tax.

Value-added taxes have traditionally been viewed as regressive. But Mr. Brockway said this was not necessarily so. He said the value-added tax was "not likely this year but it is under serious consideration."

If a value-added tax reduced tax rates in the United States, it would reduce the U.S. tax burden for Americans overseas.

2 Countries Offer To Accommodate 20,000 Refugees

MANILA, April 29 (NYT) — The Philippines and Indonesia have offered to accommodate a total of 20,000 Indonesian refugees in temporary island havens if the United States, Japan and other developed nations will guarantee financing and resettlement.

U.S. and Japanese financial cooperation has been assured, it was reported. The plan was discussed Friday by Philippine officials and Dick Clark, the U.S. coordinator for refugee affairs. U.S. Ambassador Richard Murphy also participated.

Jose Ingles, the Philippines' acting foreign minister, said, "Indonesia has offered to accommodate 10,000 refugees on one of its islands. The Philippines will match the offer."

Mr. Ingles said that the two nations were responding to an appeal by the United Nations for processing camps in which refugees could be gathered before resettlement in third countries.

In offering their islands, Indonesia and the Philippines imposed the condition that all refugees must be guaranteed resettlement in other countries before they land and that the cost of building and maintaining the camps would be paid by developed countries.

Italian Motorist Is Jailed After 100 Accidents

MESSINA, Sicily, April 29 (AP) — Pietro Vernuccio, a 35-year-old baker, has been arrested and jailed on charges of fraud and of posing a threat to public safety after having been involved in at least 100 road accidents last year. Police also seized his driving license.

District attorney Antonio Zumbo ordered the arrest last week after several insurance companies reported they had been paying Mr. Vernuccio a large amount for damages suffered by his car to a series of road accidents.

According to police, Mr. Vernuccio, described as an expert in traffic rules, spent most of his leisure time ambushing Messina motorists with his battered compact Fiat-500 car and getting involved in accidents in the role of the party entitled to collect damages.

'Matter of Principle'

"There is not a widespread feeling," Mr. Brockway continued, "that we should go to a residence based [only] on U.S. citizens resident in the United States]. The United States isn't interested in the extra revenue. It's a matter of principle. The opinion is held to Con-

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Bartering With Spies

There are three reasons to hesitate before celebrating President Carter's barter of two convicted Soviet spies for five Soviet political prisoners.

Swapping spies is by now routine. But will this deal depreciate a spy's trading value by assuring his release for anyone the Soviets choose to imprison? Probably not. The spies in question, although sentenced to horrendous terms of 50 years, each were relatively small potatoes — United Nations employees who tried to buy documents on anti-submarine warfare. The Soviet prisoners were leading dissenters, two of whom had been sentenced to death for hijacking a plane when refused permission to emigrate.

Will the deal mean, then, that Soviet politi-

cal prisoners can not hope for release except in exchange for lost spies? Again probably not. The interests of state figure heavily in Soviet justice. Because this deal involves only Soviet citizens, it actually adds to the legitimacy of American agitation over civil rights in the Soviet Union. Success in some cases is not diminished by the existence of so many more.

So what of the failure to obtain the release of Anatoli Shcharansky — whose fate Mr. Carter had made a personal concern? The Russians' obsession with his case remains deplorable. But the deal they made suggests the president may yet succeed.

THE NEW YORK TIMES.

Closing the Barn Door

The more closely the Nuclear Regulatory Commission looks at reactors, the less safe some of them seem. Shortly after the accident at Three Mile Island, the commission concluded that there was no need to shut similar plants elsewhere. Changes in procedures and minor adjustments would insure safety. Then senior staff members of the commission recommended that all nine reactors designed by Babcock & Wilcox, the builder of the Three Mile Island units, be closed for safety improvements. Now the commission has ordered a temporary shutdown, a reasonable and even overdue response to design defects that should have been corrected long ago. Whether the whole regulatory system is adequate to insure safety remains open to question.

The main technical problem appears to be peculiar to the Babcock & Wilcox design and may not affect any of the nation's 72 other operating reactors. The B & W plants generate steam through a system that uses only a small volume of water. If something interferes with the flow of that water, as at Three Mile Island, it quickly dries up and stops cooling the reactor. To avert trouble, emergency equipment and operating technicians must respond quickly. The utilities will now work to insure that men and machines do so faster.

Will that be enough to compensate for the design defects? Or is it applying a bandage to a system that seems to have been designed more for efficiency than safety? The regulators are betting on the former.

The shutdown order provides reason for both optimism and pessimism about the nuclear regulatory system. On the affirmative side, the regulators are now clearly taking a tougher attitude toward safety. The old Atomic Energy Commission won a reputation for promoting the spread of nuclear power at the expense of safety. But the independent Nuclear Regulatory Commission, one of its successors, has taken a gradually firmer stance. This is one government reorganization that seems to be working.

But on the negative side, the fact that plants must now be closed suggests serious regulatory lapses even in the recent past. If the B & W design is so susceptible to mechanical and human failures, why was it approved in the first place, let alone the ninth place — the Three Mile Island reactor which opened barely four months ago? And why did the commission's inspectors pay so little attention to problems detected over the years at various B & W plants? At the Rancho Seco plant in California last year, for example, operators had "extreme difficulty" controlling an accident, according to a B & W report.

As the Three Mile Island investigations continue, it becomes increasingly clear that neither the regulators nor the power industry fully understand the technology they are handling. That is disturbing to learn so long after the nation has committed itself to power plants that are inherently risky.

THE NEW YORK TIMES.

Cease-Fire for Vietnam Vets

Hollywood seems to have outdone the rest of the nation in welcoming home the Vietnam veterans — at a tidy profit. With award-winning films like "The Deer Hunter" and the poignant television drama, "Friendly Fire," filmmakers have been examining the human dimension of a war that Americans once seemed eager to forget. Perhaps this revival of concern can now be turned to the benefit of the real-life veterans.

For many Vietnam veterans, civilian life has been just another form of combat. Their readjustment began in the worst economic slump since the Depression. Jobs were scarce, especially for blacks. The education benefits were less helpful than those provided after earlier wars. Veterans' hospitals tended to favor the older men over the young vets needing outpatient services and physical rehabilitation.

Large numbers of the Vietnam veterans have responded to hostility on the home

front by suppressing all record of their military service. Divorce and suicide rates among them have been abnormally high.

Yet the veterans' lobbies, the Veterans Administration and Congress have all been unenthusiastic about efforts to help. Congress has five times rejected a modest \$12-million counseling program for veterans with readjustment problems.

Perhaps there are those who, unconsciously, would punish the Vietnam veterans for failing to win their war. Perhaps there are those who so resent the war that they dismiss its veterans as undeserving. Perhaps some want merely to reject every reminder of that war. But the inadequate response to the needs of these veterans can only compound the nation's agony. As one of them, John Wheeler, has urged, let us not visit the sins of the war on its servants.

THE NEW YORK TIMES.

International Opinion

Don't Disregard Rhodesia

The Rhodesian election . . . Raises many more questions than it answers. But the most important question is this: can the British and American governments, which have been trying to bring about a negotiated settlement of the Rhodesia problem, simply disregard the election as an event without significance? On balance, and notwithstanding the many uncertainties about the meaning of the poll, it seems clear that they cannot and should not.

The critical factor lending significance to the poll is the turnout, which is officially put at nearly 64 percent of the eligible population. We cannot know for sure that this is a true figure: the Rhodesian government has an obvious interest in as high a turnout as possible, since every additional vote cast lends additional credibility to the election process.

Yet even if there has been some padding of the figures, it is clear that a large proportion of the electorate did go to the polls.

The true figure may be less than 64 percent, but it is difficult to suppose that the Rhodesian authorities have engaged in ballot rigging on a massive scale.

It would be easy for the U.K. and the U.S. to disregard the election outcome, in the cynical belief that a civil war in Rhodesia is all but inevitable and that nothing is to be gained by showing interest in the possible viability of the internal settlement. Easy, but unsatisfactory: Britain is legally responsible for Rhodesia and it should send an all-party delegation to Salisbury to make a fresh examination of the possibility of using the election as the starting point for a new attempt at a negotiated settlement.

— The Financial Times (London).

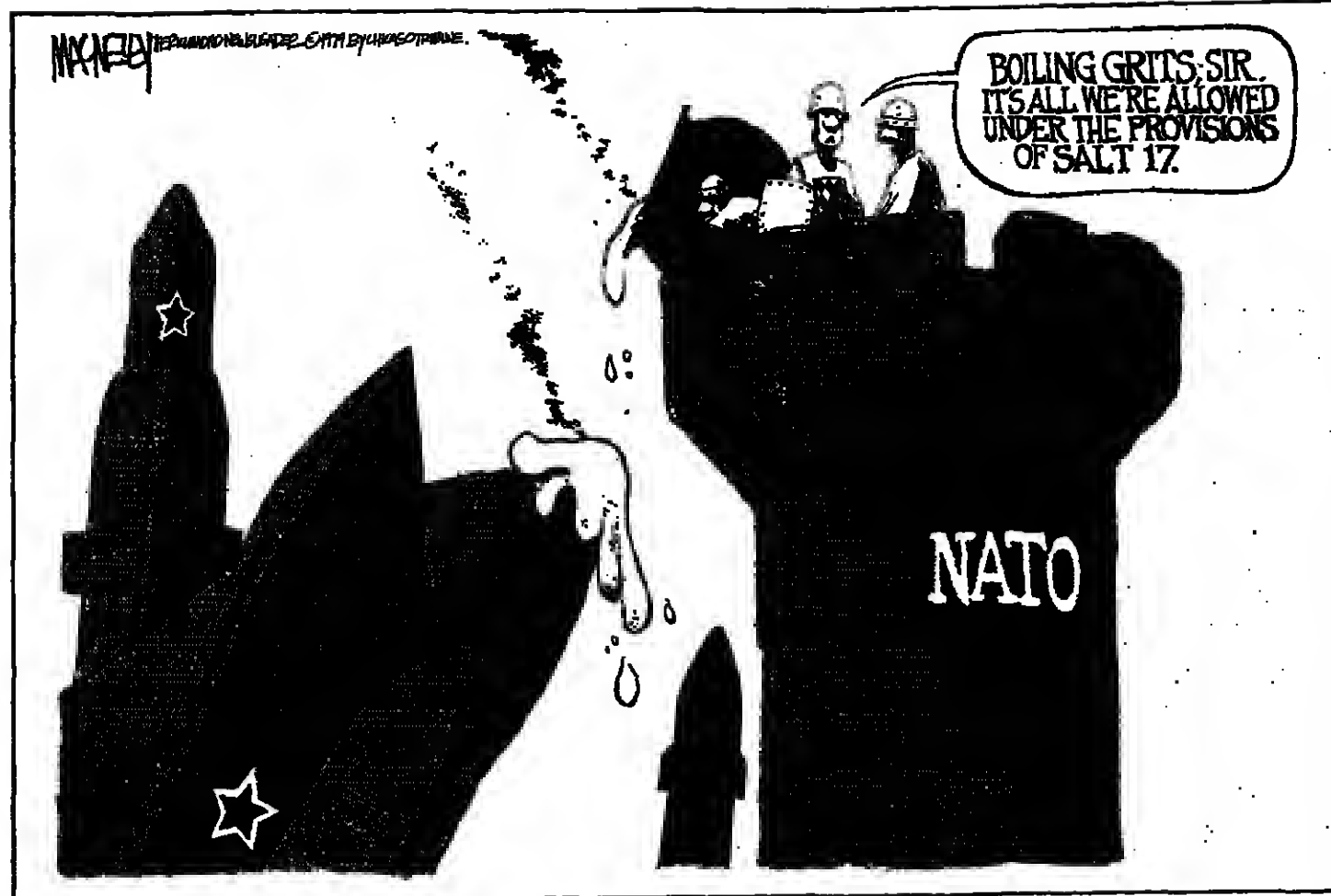
In the International Edition

Seventy-Five Years Ago
April 30, 1904

MADRID — The printer's union of Madrid has resolved not to work on May 1, but to celebrate the international labor holiday instead. I asked the chief editor of El Herald de Madrid about this, and he said: "Labor legislation in Spain has not progressed in the same measure as it has in the rest of Europe. Tomorrow's strike is, in my opinion, a warning to Spanish statesmen. Our legislators will be stimulated to take up and approve such measures as arbitration boards and strike regulations. And other laws which are yet mere projects in Spain."

Fifty Years Ago
April 30, 1929

NEW YORK — Secretary of State Stimson has denied that the United States plans to recognize Communist Russia. The claim was in a letter to Matthew Woll, vice-president of the American Federation of Labor. Mr. Woll has stated that his opposition to recognizing Russia is based not on any sort of opportunism or changing self-interest. This last reference is taken as a challenge to the many American business interests who have recently showed a marked friendliness to Russia, and who have invested large amounts of capital in Russia.



Watching Carter's Words on SALT-2

By George F. Will

WASHINGTON — Speaking to newspaper publishers about SALT-2, President Carter said "the treaty must, and the treaty will be, verifiable from the first day it is signed." And: "... if there is an effort to cheat on the SALT agreement, including the limits on modernizing ICBMs, we will detect it."

Both statements are, strictly speaking, incredible. The United States cannot verify, among other things, whether range limits on Cruise missiles are violated; whether limits on improvements of Backfire bombers are violated; whether launchers for Soviet medium-range missiles contain long-range missiles; whether SS-18s carry more than the permitted 10 warheads; whether the Russians are testing proscribed new missiles.

The list could be considerably lengthened, but consider the last item. SALT-2 restricts each side to the deployment of only one "new" type of ICBM, defined as an ICBM more than 5 percent larger or smaller than existing ICBMs, measured in terms of such variables as launch weight and throw weight. Note that "new" refers to attributes other than recentness of development: The Russians could deploy any number of new missiles with more lethal capabilities as long as they are approximately the size of existing missiles. But even before the loss of facilities in Iran, the United States was unable to make verification judgments as fine as the 5 percent limit requires.

The speechwriter who wrote that the treaty must and will be verifiable from the day it is signed should carve into his typewriter this reminder: "Never, ever, use the word 'verifiable' without the modifying adjective 'adequately.'" That adjective is the State Department's preferred weasel word. State says, for example: There could be "some undetected cheating in certain areas," but SALT-2 is "verifiable" because the cheating would "not alter the strategic balance in view of U.S. programs."

Or: "Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an adequate response." Or: There are "areas of uncertainty" in verification, but not such as to permit the Soviets to produce a significant unanticipated threat to U.S. interests.

Contradicted

Note that the State Department contradicts Carter's suggestion that all cheating can be detected. Note also that the administration's judgment of "adequate" verification is linked to the administration's judgment of "strategic balance," of "significant" threat to U.S. interests, and of an "adequate" response to cheating.

At one point, the speechwriter remembered to insert the blurring adjective "significant": "We are confident that no significant violation of the treaty could take place without the United States detecting it." In February at Georgia Tech, and again to the publishers, Carter said it is deeply significant that under SALT-2 the Russians would dismantle 250 strategic weapons (old bombers and obsolete, single-warhead missiles). But the Russians could surreptitiously deploy, undetected, many more than 250 warheads, the former "significant" and the latter not?

Carter's advocacy of SALT-2 is crippled by the widespread collapse of confidence in his rhetoric. For example, he says (April 6) the United States is militarily superior, even though the Russians have 160 divisions to the United States' 16; the Russians have more than 300 active fleet combatants, the United States, 398; the Russians have 10 times the U.S. number of interceptor aircraft; five times the number of tanks, three times the number of attack submarines; two times the number of missile submarines; three times the number of theater nuclear weapons; and, regarding strategic weapons, four times the deliverable megatonnage and 2.5 times the throw weight.

Remarkably, the "arguments of last resort" are Carter's arguments of first resort, including the lamest, most threadbare and most predictable of all the arguments for accommodating Soviet desires: Do it to strengthen the good faction in the

Kremlin. Carter says refusal to ratify SALT-2 would encourage "the most intransigent and hostile elements of the Soviet power structure."

Out they tumble, with awful inevitability: all the familiar exhortations that always are pressed into service when serious arguments are lacking. So Carter says that if the United States rejected SALT-2, "the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace." And, "We would no longer be identified as the peace-loving nation."

This is how a great nation assesses its interests? We must act so as to be "identified" as "peace-loving"? Leave aside the question of whether Carter has anything serious in mind when he urges the United States to take a grave step in order to please "the world." The UN? The government of the Third World? Public opinion in Chad? Note instead that this cannot cant will be equally applicable, and applied, to SALT-3 and SALT-4. And so on.

Given the administration's mind set, all the Russians need to do in order to widen their advantage is to keep negotiating SALT agreements.

The pressure to reach an agreement is asymmetrical: Public opinion does not matter in the Soviet Union, and the Carter administration, by inflaming public opinion about the urgency of SALT agreements in general, puts pressure on itself to make concessions. And once an agreement is reached, the Carter administration, unlike the Brezhnev administration, frets about what had thought "the world" might be "forced" to think about us if we refuse to ratify an agreement shaped by asymmetrical pressures.

Carter even told the publishers that failure to ratify SALT-2 as negotiated could lead to "a dark nightmare of unrestrained arms competition." But there cannot be any competition if one side will not compete. Carter told James MacGregor Burns that if SALT-2 is not ratified, he will abide by the terms anyway, if the Russians show restraint.

Carter's idea of adequate Soviet restraint is suggested by the fact that in the face of an unprecedented Soviet buildup, he has: canceled the B-1; refused to produce neutron weapons; shut down the Minuteman production line; delayed and deferred MX missile production;

delayed and deferred sea-launched and ground-launched Cruise missiles; halted the shipbuilding program; cut production of attack submarines (the United States produces one a year, the Soviet Union produces eight), etc.

Anyway, just as SALT-1 "ceilings" only "limited" the Russians to approximately what they probably wanted to do, SALT-2 limits are such that, considering probable Soviet production capabilities and intentions, there is only a small difference, if any, between what they would do with or without SALT-2, by 1985. Besides, the question is not whether there shall be another SALT agreement, but whether this agreement should be ratified as negotiated.

The gravest objection to this agreement does not concern verification: Even if it were verifiable, it would be unacceptable because it is not serious arms control. A recent headline in The Washington Post proclaimed: "SALT Won't Intensify Arms Race, Carter Tells 3 Senators." Imagine a headline proclaiming: "Hospital Won't Spread Disease." Surely we can, and must, do better.

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Signals From the Kremlin

By James Reston

WASHINGTON — In recent weeks, there has been a marked change in the Soviet Union's communications with the Carter administration. Questions raised by Secretary of State Cyrus Vance with Soviet Ambassador Anatoli Dobrynin have been answered within days instead of weeks, and issues that have been on the shelf for months are now being dusted off and settled.

The release from prison of five Soviet dissidents in exchange for two Soviet spies serving 30-year prison terms in the United States is just the latest evidence of a more flexible and cooperative diplomacy between the two countries. And incidentally, there is reason for believing that it may be possible as well to negotiate the release of other more prominent dissidents — Yuri Orlov, Anatoli Shcharansky, and Mikolai Rudenko.

Soviet officials seldom explain things, but they do things and leave it to officials here and elsewhere to guess at their motives. One clue is that they seem finally to have come to realize that the main barrier to a strategic arms agreement with the United States is not President Carter or Vance or even the Pentagon, but the Senate. And they have been actually asking Washington lately what they can do to assure

Senate ratification of the arms treaty.

There are other clues. In the last few days, Dobrynin has been talking privately with Vance and Treasury Secretary Michael Blumenthal about the possibility of removing U.S. barriers to trade with the Soviet Union in return for Moscow's decision to allow more Jews to leave that country.

Under a Jackson-Vanik amendment to the U.S. 1974 trade act, Communist nations — China as well as the Soviet Union — are deprived of most-favored-nation tariff concessions and Export-Import Bank credits unless the president assures the Congress that citizens of those countries are free to travel abroad.

Lately, the Soviet government has made substantial changes in its emigration policy. In March of this year, more than 4,000 Jews were permitted to leave the Soviet Union, and the total for the year is likely to be over 40,000 — more than the record total of just under 35,000 in 1973.

Rep. Charles Vanik, D-Ohio, co-author of the trade-emigration amendment, was in Moscow last week. These travels may be significant. The secretary of commerce, Juanita Kreps, is going to China next week to discuss trade, most-favored-nation status, and U.S. credits for that country, and this China connection with the United States is obviously being watched in Moscow with concern and even suspicion.

All this involves highly delicate negotiations for the Carter administration with the Congress and also with Moscow and Peking. It cannot get a strategic arms agreement with the Soviet Union without the consent of two-thirds of the Senate. It cannot get new most-favored-nation trade relations with China without the approval of the House. And it doesn't want trade concessions for China unless it can get the same concessions for the Soviet Union.

et Union is a world problem with even larger implications and dangers, and he is trying, as in the Middle East, to hold a balance and maintain the trust of both sides.

For example, Carter's main problem in getting a strategic arms agreement ratified by the Senate probably depends on his ability to prove, since the elimination of U.S. listening technology in Iran, that he has the means of verifying that the Russians are being faithful to the terms of any SALT-2 treaty.

China has offered to cooperate in assuring verification of Moscow's agreement, but Washington has quickly ignored the offer. For the emplacement of U.S. monitoring technology in China to survey the military activities of the Soviet Union would clearly be regarded in Moscow as a limited alliance between Washington and Peking against the Russians.

Accordingly, the Carter administration is being very cautious and is appealing to Congress leaders of both parties to do the same, for it is now deeply involved in sensitive negotiations that affect not only the security of the superpowers, but the nations of Europe, of the Middle East, and of Japan, India, Pakistan, and the rest of Asia.

The diplomatic signals of the last few weeks fortunately indicate that President Leonid Brezhnev in the Kremlin is beginning to understand the connection between all these problems, and is adjusting to the facts. There is, or at least seems to be, a new sense of urgency in his communications, which may be connected to his health. He is very ill with heart and pulmonary complications, and the official view here is that it would probably be better to bring these military and trade negotiations to a conclusion with Brezhnev now, rather than to start all over again with his unknown successors.

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Dutch Illogically On Neutron NATO Level

By David Hawthorth

AMSTERDAM — Are the Dutch really prepared to put their NATO membership on line if they don't get their way on a vital matter of alliance policy? The idea seems absurd, even grotesque, yet that is what opposition leader Joop den Uyl, former Labor premier, has suggested. At recent anti-nuclear seminar in Free University here, Mr. den Uyl said the Netherlands should consider leaving NATO if it deplores the enhanced radiation nuclear weapon — the neutron bomb.

Noting the Netherlands' importance in the alliance, he said it never should be used to prevent a weapon being introduced. Mr. den Uyl then went further: any modernization of all existing nuclear weapons was also "inadmissible" in his view. This point, which is not necessarily the same as saying no to the neutron bomb, is even more drastic in its implications.

Is this veteran operator, a man of soft-shoe politics, serious in questioning the Netherlands' future in NATO? The most frequent assessment of the den Uyl performance is that if he is ever returned to office he will express a more state-manlike viewpoint and that for the moment he is "posturing." But Mr. den Uyl has pressed a particularly sensitive nerve in the Dutch psyche. While it seems farfetched that the country will become as neutral as Switzerland or Sweden, the Dutch pacifist history is often overlooked by their allies. For more than 10 years before 1940, the Netherlands was neutral, and was only forced into conflict by the Nazi invasion. The thread of this tradition can still be traced in extreme leftist politics and, more importantly, in the churches.

Clerics were prominent at a conference Mr. den Uyl addressed, where members of the Inter-Church Peace Council, who call for unilateral nuclear disarmament by the Netherlands. If that fails, they want an East-West nonaggression pact, as proposed by Soviet President Leonid Brezhnev. For record, Mr. den Uyl dissociated himself from both these ambitions. When in office he took a pragmatic line over the nuclear issue — rid the punch of extremist resolution in the annual Labor Party conference while keeping the option of a nuclear alliance partner. Moreover he has always held a strongly anti-Communist position.

The significance of Mr. den Uyl's remarks is that they oblige the none-too-robust Christ Democrats-Liberal coalition stake out a policy which is at least as drastic as Mr. den Uyl's, if more so. Rightly or wrongly church leaders regard this administration as theirs (though it received a rebuff over the abortion question), and the links between the churches and Christian Democratic leaders are strong.

As a result, there is a kind of crabwise movement by church, government and opposition toward a Norwegian policy, which is to make a NATO member while at the same time forbidding the storage of nuclear weapons on that country's soil.

In the circumstances, it is a reasonable prediction that which party is in power the Netherlands will initiate Norway within three years — with psychological and strategic consequences for the alliance.

The paradox of all this, however morally soothing it may be for political leaders — on the left and right — to make speeches against nuclear weapons, is that West Germany would have to shoulder even greater burden for NATO central region defense if the Netherlands is not to have its own nuclear arm. Yet a stronger West Germany is something to which Dutch parties are opposed.

It is ironic, too, that the Dutch obsession with the neutron bomb together with the den Uyl intension that nuclear weapons should not be modernized, implies that existing bigger and "dirtier" devices in the NATO arsenal are somehow acceptable. As a non-Dutch NATO expert put it: "The Dutch never have been able to understand the philosophy of the fleet response. On the neutron and modernization, they are also an illogical lot. If they successfully oppose both and hostilities begin, Dutch policy would be a short cut Armageddon."

Those politicians here who take more realistic view of the need: deterrence is put in an illogical position; they are easily cast as truculent opponents of deterrence cold war warriors of the old school. Given the incomprehension by anti-nuclear lobby and others what the enhanced radiation-induced blast device is for and circumstances in which it might be used, they have a difficult task.

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Russian's Health Questioned

Giscard, Brezhnev Pledge To Pursue Detente, Trade

MOSCOW, April 29 (AP) — French President Valéry Giscard d'Estaing's visit to the Soviet Union ended yesterday with a joint pledge to work for detente and trade questions here about the health of Soviet President Leonid Brezhnev.

A joint communique also listed several new industrial projects including French firms which both sides wanted to see realized. The sides mentioned were metallurgy, auto construction, chemicals, electronics, and processing as well as projects involving Soviet raw materials.

The two sides also said that they would try to keep French-Soviet trade growing at its current rate during the next five years.

French commercial relations with the Soviet Union have improved tenfold during the last 10 years, but momentum has dropped recent months. Last year, the volume of trade reportedly

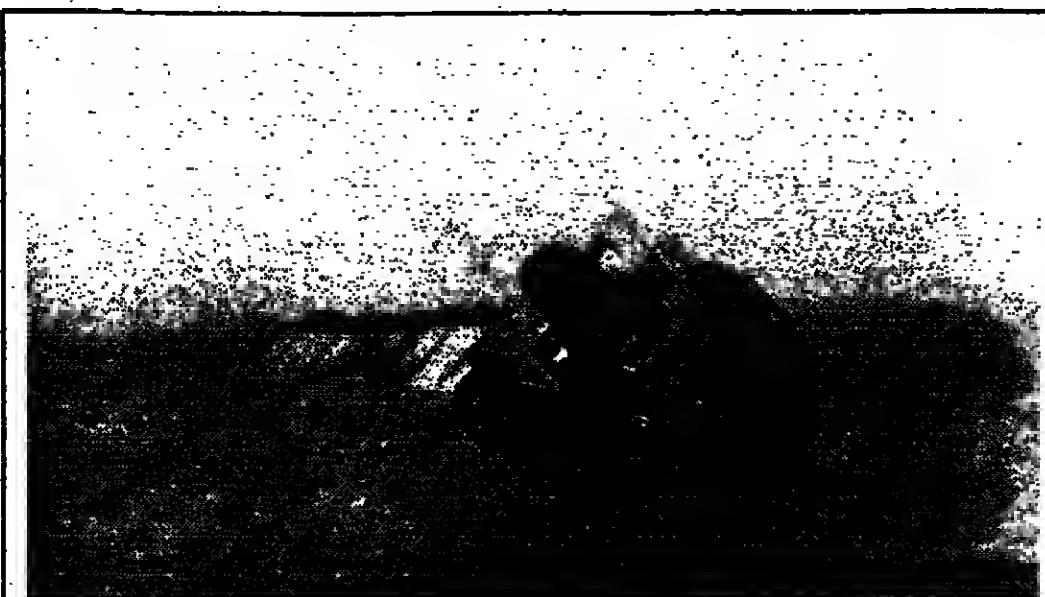
amounted to 12 billion francs (about \$2.8 billion). The communique also recorded Mr. Brezhnev's offer to include a French astronaut in the Soviet Union's manned space program.

The three-day summit included only one face-to-face discussion between Mr. Giscard d'Estaing and Mr. Brezhnev, held Saturday afternoon for what the Soviet press said was confidential talk.

Some French observers here familiar with the 72-year-old Kremlin leader said that he was in much poorer health than on his visit to France two years ago and markedly less vigorous.

Among incidents cited by the sources was Mr. Brezhnev's eating with a small spoon during his most of the meal at a Kremlin dinner Thursday night; heading for the wrong exit after yesterday's signing ceremony, requiring a senior army officer to point him in the right direction; and a frequent vacant look in his eye in talks with French officials.

Publicly, however, French officials with Mr. Giscard d'Estaing went out of their way to give the impression that Mr. Brezhnev was in good health. Presidential spokesman Pierre Hunt said on Friday that both heads of state were taking "an active and continuing part" in the talks.



The Liberian tanker Gino sinks off Brittany coast after collision with Norwegian oil tanker.

Tankers Collide Off Brittany; Oil Slicks Termed Small

BREST, France, April 29 (AP) — The sinking of the Liberian-registered tanker Gino, loaded with 41,000 tons of crude oil in the Atlantic Ocean poses no threat of another Amoco Cadiz-type black tide on the French coast, maritime officials said today.

Helicopter surveys of the area of yesterday's sinking of the Gino show two slicks of a negligible quantity of propulsion fuel on the ocean surface about 60 kilometers from the island of Ouessant due west of this Brittany port, officials said.

A small flotilla of 16 boats was treating the slicks with dispersants and additional equipment was in place to cope with any worsening of the situation, navy officials said.

The cargo oil, already refined, was far denser than water and was expected to sink to the ocean floor. There was no evidence that any had floated to the surface, officials said.

The Gino sank after colliding in fog with the empty Norwegian tanker Team Castor in the international shipping lanes off the northwest coast of Brittany, a frequent victim of oil spills.

The world's worst spill occurred there in March of last year when the U.S. supertanker Amoco Cadiz broke up on offshore rocks and spilled most of its 230,000 tons of crude oil into the Brittany fishing waters and onto its popular beaches.

Conspiracy Trial Pending

A Haunted Thorpe Seeks Re-Election

WESTWARD HO, Eogland (NYT) — There has never been an election contest like it, in Britain or anywhere else.

Jeremy Thorpe, a former leader of the Liberal Party, a national figure for more than a decade, is running for re-election in the North Devon constituency that he has represented in Parliament since 1959, even though he will stand trial four days after the results are announced on charges of conspiring to murder Norman Scott, a former male model who claims that he was once Mr. Thorpe's homosexual lover.

That in itself is astonishing. Even more remarkable is the possibility that the voters of North Devon, a 600-square-mile enclave of rolling hills divided into checkerboards by hedgerows, might send Mr. Thorpe back to the House of Commons. The odds are against him, a visitor concluded after two days in this remote part of southwestern England, but not by all that much.

What he does after hours is his own business, said a barnyard in this resort town, which took its name from the title of a novel by Charles Kingsley. "All I know is that he's the best member of Parliament North Devon has ever had, certainly far better than any Tory."

Common Feeling

It is a sentiment one hears again and again. Peter Folland, a 37-year-old band-saw operator in a door factory, said, "He works for me from 9 to 5, and what he does on his own time is up to him." Sidney Hammett, a longtime Labor voter, said, "He's done a lot of good for this constituency, and they haven't proved anything, have they?"

Thorpe supporters by the tens of thousands seem to have focused on, and then dismissed, their member of Parliament's alleged sexual misconduct. They seem to have ignored the legal charges pending against him.

"I'm going to get my seventh string of pearls," said Lilian Prowse, Mr. Thorpe's campaign manager, who has received the same present after each of his victories. "There are those who won't vote for us this time, let's be honest, but they will be offset by the sympathy vote."

Anthony Speller, the Conservative candidate, is supremely confident that he can defeat Mr. Thorpe. He came within 7,000 votes in October, 1974, and he believes that the apparent national swing to the Tories, combined with Mr. Thorpe's heavily publicized problems, will erase that margin on May 3.

But Mr. Speller, who owns a firm that sells drafting equipment, never mentions the court case, making a Conservative appeal indistinguishable from those in other constituencies.

Speaking the other day in Greattham, he told a small crowd that "the Tories will cut down on taxes and paper work, and make it worthwhile to work hard again."

Mr. Thorpe's fate is important to the Liberals, who are hoping to increase their contingent from 13 to 20 or 30 in the Parliament. A smashing victory in a by-election at Edge Hill in Liverpool, just before Parliament was dissolved, has raised their morale, even though they are getting a dismal 9 percent in current opinion polls.

The counties of Devon and Cornwall are one of the Liberals' best areas, partly because trade unionism never has taken hold here, partly because they are less subject than most regions to the influence of London and partly because they have found consistently good candidates.

But Mr. Thorpe's struggle for survival inevitably commands the

most attention. He is campaigning as he always has, flat out, with a bravado that commands a good deal of respect from the farmers and small shopkeepers of North Devon. But he is a haunted figure, his voice flat and his eyes more mournful than ever.

Mr. Thorpe opens each speech with a prepared statement designed to put the legal question to rest. It goes like this: "You are aware that this fight is taking place in circumstances which are without parallel. Matters are to be resolved elsewhere, and it would be improper to discuss them in the campaign. Suffice it to say that I have vigorously asserted my innocence and look forward to establishing it in the proper place and at the proper time."

It appears to work; he is never asked questions on the subject.

—R.W. APPLE JR.

Extremist Arguments Mark British Election Campaign

(Continued from Page 1)

An undisclosed amount, the rates of the value-added tax, the European equivalent of a sales tax. Labor has denounced them as regressive and excessively burdensome on the working class.

Nonsense, replies Mrs. Thatcher, most of the necessities of life, such as food, drugs and children's clothing, would be exempted. Still it seems unlikely that a higher value-added tax can be relied on to make up more than half the deficit, if only because too large an increase would trigger severe new inflation. We will trim waste, the Conservatives say. Perhaps they can, but if past experience is any guide, not by very much.

Lower tax rates will mean greater growth, the Conservatives say. Mrs. Thatcher said Friday morning that, "given the chance, free enterprise will flourish in this country so much it will astonish you." But even if she is right, and some Conservative thinkers are not so sure, there would be a time lag. If a surge of growth followed a cut in taxes by two years, how would the lost tax revenues be recouped in the meantime?

Labor's counterattack is based on the view that the revenues would be made up by cutting existing programs, and Labor orators point to statements by leading Tories to clinch their case. Day after day, for example, they have cited statements by Sir Keith Joseph, Mrs. Thatcher's closest economic

adviser, advocating the abolition of job subsidies and government take-overs of failing privately-owned companies.

Albert Booth, the employment secretary, said Friday in the industrial town of Bolton, "Keith Joseph says it isn't the job of the British government to sustain jobs. He says he'd stop it. Well, he's talking about 12,000 jobs in the Bolton area. It's a cloud-cuckoo-land idea." Similar thrusts came from the chancellor of the exchequer, Denis Healey, and from Mr. Callaghan.

The result has been not only a cut in the Conservative lead, even though Labor has given no better explanation of the more modest tax cuts that it proposed when Mrs. Thatcher was making so much headway, but a growing public interest in jobs and such benefits as health care and pensions.

Observer Supports Labor

LONDON, April 29 (Reuters) — The Sunday Observer today gave its editorial support to Labor. The newspaper supported Labor in the 1959 election and the Conservatives in 1974.

In its editorial, the Observer expressed concern that while Mrs. Thatcher has been cautious and vague when discussing important domestic matters, she has been less so when discussing foreign issues, which are marginal in the campaign.

Yugoslavia Begins Rebuilding Earthquake-Hit Area

By C.G. Cupic

DUBROVNIK, Yugoslavia (IHT) — Two weeks after a major earthquake hit the southern Yugoslav republic of Montenegro, its citizens have begun to rebuild with help from their countrymen and from abroad.

Soon after the Easter Sunday earthquake, hundreds of trucks began rolling in from all parts of Yugoslavia with medical supplies, food, tents and blankets. Initially, the most sought-after items were the tents, as rain fell for two days over the disaster area and 80,000 homeless people and thousands of others who were afraid to stay in their apparently undamaged dwellings spent the nights in the open.

Part of the material the Yugoslavs sent to Montenegro was paid for by federal and state disaster funds; some was donated by individuals, groups and factories, however.

Aid also came from abroad. Officials in Belgrade said that the Soviet Union, the United States, West Germany, France, Norway and other countries provided help. The

United States gave about 140 tons of equipment, especially medical items. Sen. Edward Kennedy, D-Mass., has also introduced an amendment to a pending foreign aid bill to give \$20 million in aid to the earthquake victims.

Soviet Aid

The Soviet Union donated a complete factory for the prefabrication of houses, and along with it 10,000 of the houses.

The Swiss government sent a mobile water factory with a capacity of 50,000 liters per hour. Last week the Common Market Commission approved \$400,000 of aid to the victims.

Television coverage made a major impact on the amount of aid offered. The Zagreb newspaper "Vjesnik" noted in an editorial: "The precious bridge between people in the reality of catastrophe and those outside the affected area was built by the direct TV coverage from Titograd [the capital of Montenegro]."

"Television carried the tragedy to everyone and played a major role in the creation of solidarity."

Ivo Buce, who works in the port of Ploce on the Adriatic coast, talked about his reaction and that of his fellow citizens to the victims' plight. "On the first day we were shocked by the amount of damage the earthquake caused," he said.

"On the second day we sent anything that we thought might help the survivors; and on the third day we started organizing aid, not just immediate aid but help for the long run."

"Here in Ploce we are going to take most of the transit traffic that was destined for the destroyed port of Bar, and we are also going to employ some of their workers who would be unemployed otherwise. We are sending a team of port technicians to help them with repairs. We also voted to donate to them one month's wages each by the end of the year. Although through a self-management system we decide on how to use our income, people often complain when they see a cut in their paycheck, but this time everybody was rather proud of the amount of help they had decided to send."

The mayor of Bar, Blaz Orlandic,

said that "the Old City in the port is wrecked, everything we did since the war is gone, but with help we will build Bar to be even more beautiful than it ever was."

Poor Region

Montenegro is Yugoslavia's smallest, least-populated and poorest state. It covers 5 percent of Yugoslavia while its 1 million inhabitants represent 5 percent of the population and produce only 2 percent of Yugoslavia's national revenue. The coastal region is a developed leisure area; the rest of the state is composed of 6,000-foot mountains and deep, unbreachable valleys. Only 4 percent of the territory can be used for agriculture and more than 80 percent of the population lives off the land.

The earthquake was the strongest recorded in Yugoslavia. Milorad Vukasinovic of the Seismological Institute in Belgrade said, "This earthquake had a very large epicenter, 30 miles long and 15 miles wide, which is very unusual for the Mediterranean area. It was 2 1/2 times stronger than the one in Skopje, where more than 2,000 people were killed."



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AT & T Accused of Excessive Profits

Consumer Unit Urges U.S. To Order Phone Refunds

By Paul Houston

WASHINGTON, April 29 — In an unprecedented move, the president's consumer affairs adviser has urged the Federal Communications Commission to order as much as \$399 million in refunds for telephone users and to reject a request by American Telephone and Telegraph Co. for a 20-percent increase in its rate of allowable profits.

The petition by Esther Peterson, director of the U.S. Office of Consumer Affairs, marked the first time a consumer group had filed a rate case challenge with the FCC.

Larry Darby, chief of the FCC's common carrier bureau, said he was delighted by the petition and thought that consumer groups would make a difference in commission proceedings.

Responding to an AT&T request for an increase in allowable profits, Mrs. Peterson charged that the company had received "excessive and apparently unlawful" revenues in 1978. She accused AT&T of trying to make a farce out of regulatory procedures by asking for a speedy, temporary but significant increase in its profit rate, preliminary to a permanent 20-percent increase.

A 1976 FCC order limited AT&T's rate of return on investment to between 9.5 percent and 10 percent. The company contends that, after permissible adjustments, its 1978 net earnings were \$2.3 billion, a rate of 10.2 percent — only slightly above the allowable percentage.

The FCC, however, argues that the company's profits were substantially higher — 10.42 percent of investment.

Should the FCC grant Mrs. Peterson's request for refunding excess profits to consumers, the sum would range from \$5 million to \$99 million, depending on what the commission found to be AT&T's true profit rate.

For the company, a more critical question was whether the FCC would approve without lengthy hearings a requested temporary profit rate increase to 10.38 percent and later grant a new permanent rate of between 11 percent and 12 percent.

A 12-percent rate would add about \$464 million to the company's current profit level. AT&T said the extra earnings were needed to attract investment capital under economic and financial conditions that have changed sharply since 1976.

Anti-Inflation Policy

The company said that, in deference to the president's anti-inflation program, it would seek to increase profits not by raising rates for users but by improving productivity and sales efforts.

However, aides to Mrs. Peterson said it appeared that AT&T wanted the FCC to increase its approved profit rate to justify a later increase in customer telephone rates.

In addition to Mrs. Peterson's office, the General Services Administration — the government's housekeeping agency — is fighting AT&T's bid to boost profits. The GSA asked the FCC to roll back the company's profit rate to a range of 8.82 percent to 9.22 percent.

However, the GSA is expected to seek phone-rate adjustments for only bulk government users, whereas Mrs. Peterson is seeking help for residential users.

Edward Cohen, general counsel of the Office of Consumer Affairs, noted that the agency recently had gone before the Federal Energy Regulatory Commission to oppose a request by Public Service Co. of New Hampshire to charge consumers for the construction costs of its Seabrook nuclear power plant.

He said the consumer office is exploring a number of other regulatory cases for possible intervention.

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REUNION IN PYONGYANG — Korean-American Ko Young Il, interpreter for the U.S. table tennis team, meets his mother and sister for the first time since he fled North Korea 29 years ago at the age of 7. His mother recognized him by a permanent scar on his right ear.

Concern Over Trade Deficit Cited

New Unit Sought on U.S. Export Policy

By Robert C. Siner

WASHINGTON, April 29 (UPI) — Spurred by concern over continued large U.S. trade deficits, the Senate soon will consider legislation to coordinate U.S. export policy under a Cabinet-level Department of Trade and Investment.

Two bills, one sponsored by Sen. Abraham Ribicoff, D-Conn., and William Roth, R-Del., and the other introduced by the Senate majority leader, Robert Byrd, D-W.Va., would transfer to the new department all of the trade-related functions of the Departments of State, Treasury and Commerce. It also would give the new department control over Export-Import Bank and of the Overseas Private Investment Corp. In addition, the Byrd bill would transfer the Foreign Agricultural Service of the Department of Agriculture to the new agency.

A third bill, introduced by Sen. Charles Mathias, R-Md., would set up a Cabinet-level Foreign Trade Executive Committee to report to Congress on a monthly basis on programs to increase exports.

The Carter administration is expected to present its own proposals in this area in the near future and the Senate Governmental Affairs Committee is expected to begin hearings on the issue shortly.

The U.S. trade balance has gone from an \$11 billion surplus in 1975 to a deficit of \$28.5 billion last

year. The deficit this year is expected to be lower but, with the uncertainties over oil prices, no one is prepared to predict the figure.

Sen. Mathias blamed the trade deficits for "greater inflation, a dollar bleeding to death in world markets and a decline in the American standard of living." He said that one-fifth of the nation's production jobs and one-third of its corporate profits derive from international activities.

Supporters of these measures blame the U.S. trade position on the fragmentation of the government's trade policies in numerous departments and agencies. "As long as the United States is as disorganized as it is today," Sen. Roth said, "foreign countries will be able to take advantage of us by simply playing off one part of our government against the other."

Sen. Ribicoff and Roth introduced an identical measure to create a Department of Trade last year but the press of Senate business prevented any action. This year, however, staff members are optimistic.

Under the Byrd and Ribicoff-Roth bills, the new department would be responsible for developing and coordinating trade and investment policy; negotiating trade agreements; protecting U.S. industry, agriculture and labor from unfair foreign competition; assisting in international financial trade; securing access to supplies of raw

materials "at reasonable prices"; administering the customs service and export controls as provided by Congress; and developing long-range programs to promote U.S. economic interests around the world.

World Study Shows U.S. Lags In Salaries of Top Executives

NEW YORK, April 29 (UPI) — The depreciation of the U.S. dollar has made executive talent cheaper in the United States than in a number of other countries, according to a study by an international management consultant firm.

A chief executive officer in a medium-sized firm in West Germany makes 50 percent more in dollar terms than his U.S. counterpart, the study found, while a comparable post in Belgium and the Netherlands commands 40 percent more.

In a similar study two years ago, the salary differentials were 15 percent in West Germany and 5 percent in Belgium and the Netherlands.

There was a similar gap between salaries in the United States and the three countries for directors of marketing, finance and personnel. Towers, Perrin, Forster & Crosby analyzed base pay for the four positions in medium-sized firms — \$50 million to \$150 million in sales — in 13 countries.

In seven of the countries studied, at least two of the four top executive posts commanded a higher salary in dollar terms than similar positions in the United States.

In addition to West Germany, the Netherlands and Belgium, average remuneration for chief executive officers was higher in Brazil by 20 percent; France, 20 percent; Sweden, 10 percent; and Venezuela, 10 percent. In many of the countries, the cost of living is higher than in the United States.

The salary level was the same in Spain as in the United States while it was lower in Canada by 20 percent; Italy, 10 percent; Mexico, 35 percent; and the United Kingdom, 30 percent.

Threats of Violence, Apparent Sabotage

Times Gives Up W. German Edition Plan

By John Vinocur

FRANKFURT, April 29 (NYT) — The Times of London, whose publication has been suspended for five months because of a labor dispute, abandoned plans today to bring out an international edition here after threats of violence and an apparent attempt to sabotage its local printing plant.

The newspaper announced that it would not print in Frankfurt, but left open the possibility it might try to publish elsewhere the 26-page weekly edition that it had planned to produce on rented presses here.

Michael Mander, deputy chief executive of Times Newspapers, Ltd., said at a news conference that the decision to stop publication of the edition was made after he was informed by local police officials that they could not guarantee the safety of personnel at the printing plant, owned by the Tergeman newspaper group of Turkey.

"In the circumstances," the paper's statement said, "the Times decided that it was not right to risk lives and property."

Acting in solidarity with the National Graphical Association, the British printing union, IG Druck und Papier (its West German counterpart) had warned yesterday that it would "make every effort possible" to block distribution of the newspaper. About 300 demonstrators, including groups described by Mr. Mander as "leftist extremists with records of being present when violence occurs," remained outside

the plant in suburban Frankfurt last night and today.

"We have been on the front line on the issue of press freedom," said William Rees-Mogg, the paper's editor. "We were forced to come here to print. Now, as a result of criminal activity, we cannot. Unless we can overcome this, the damage to press freedom will be severe."

The German union set up the pickets and then the extremist elements ran around them, Mr. Rees-Mogg went on. "The unions bear full responsibility. The real question is whether we have the right to publish or not. Do we have to ask the unions for permission to publish? The events here have strengthened my determination that we shall go ahead."

Mr. Mander said that a gasoline-soaked rag had been found stuffed through an external vent into a pipe leading to the plant's compressor. If the rag had been ignited there could have been a serious fire or an explosion, he said.

He disclosed that an unnamed

Times staff member had been attacked Thursday night and knocked unconscious, receiving knife or club wounds that had to be stitched shut. "There was no evidence at the time of a connection with our publishing here," Mr. Mander said, "but one now wonders if this was an isolated mugging."

The group outside the plant blocked the roads that trucks would have used to take the newspaper for shipment to 64 countries outside Britain, Mr. Mander said. When the police said they did not have the resources to ensure the Times' distribution or safety at the plant, it was decided early today to abandon attempts at publishing, he said.

'Underestimated'

Without criticizing the police, Mr. Rees-Mogg said that "they clearly underestimated the number of violent people who would join in." Mr. Mander reported he had been informed that many of the demonstrators, who drank wine and built fires, were mustered by the Communist Party.

According to Mr. Rees-Mogg, speaking at an earlier press conference before the decision to abandon the attempt to print in Frankfurt, the newspaper was not giving up on the idea of bringing out its international edition. The Times, he said, was grafted in have received "a number of invitations to publish at various places in the world."

The dispute started last November when management suspended publication because of what it said was a lack of progress in discussions with unions about introducing modern technology in the paper's production departments. The issue turns on the unions' opposition to the use by journalists of video consoles that virtually do away with typesetting jobs.

There seemed to be some progress in negotiations earlier this month, and hopes were expressed that the Britain's oldest newspaper might publish normally again in London. But the talks dissolved, and plans went ahead to publish a weekly international edition here for circulation outside Britain.

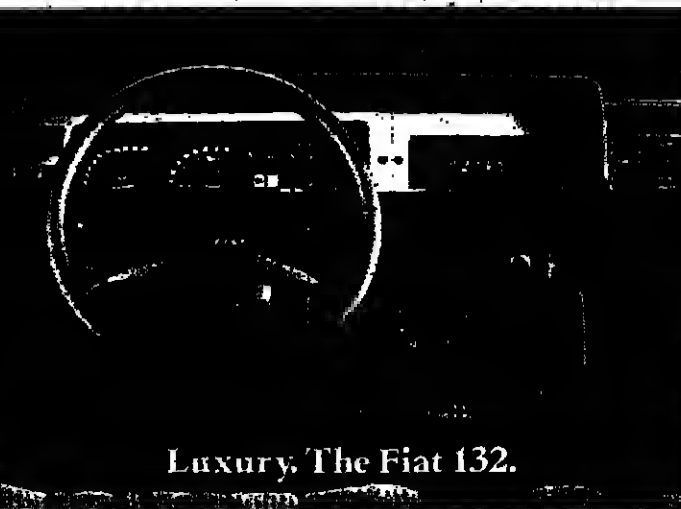
According to Mr. Mander, the first pressrun would have involved about 85,000 copies. The edition was to have concentrated on Thursday's British elections. About 200 copies of the newspaper were run off in a test last night, but they were destroyed, Times officials said.

Mr. Mander said that printers at the offset presses, six Turks and four West Germans, had no reservations about starting the pressrun, and that the decision to forego publication was entirely the Times'.

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Ritmo is, how spacious it is in the inside and how well it drives, you have a fabulous car.

Reliability. The Fiat 127.

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number 1. Because the 127 has won or come in second in every Mobil Economy Run in recent years.

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Currency Rates

| | | | | | | | | | |
|--------------|----------|----------|--------|---------|----------|---------|---------|--------|--------|
| Amsterdam | 1,232.13 | 4,259 | 108.83 | 9.777 | 0.3428 | — | 0.010 | 119.73 | 5.68 |
| Brussels (a) | 30.10 | 61.69 | 15.901 | 6.91775 | 3.56157 | 14.6685 | — | 17.562 | 5.64 |
| Frankfurt | 1.8923 | 3.893 | — | 43.48 | 2.237 x | 92.30 | 6.286 | 110.40 | 3.83 |
| London (b) | 2.0558 | — | 3.8905 | 8.948 | 1.73550 | 4.218 | 61.95 | 3.52 | 10.05 |
| Milan | 846.15 | 1,734.10 | 446.84 | 194.28 | — | 412.16 | 28.099 | 492.85 | 160.00 |
| New York (c) | — | 7.057 | 1.8945 | 4.354 | 845.00 | 2.0535 | 30.13 | 1.7133 | 5.50 |
| Paris | 4.35275 | 8.925 | 229.92 | — | 5.1495 x | 212.17 | 14.4575 | 253.90 | 82.00 |

| | | | | | | | | | |
|-------|-------|-------|-------|--------|-------|-------|-------|--------|----|
| Yamka | 1,743 | 2,538 | 3,585 | 37,919 | 1,124 | 4,765 | 6,154 | 23,854 | 70 |
| Yuko | 133.6 | 6,472 | 7,371 | 3,881 | 1,201 | 47 | 1,051 | 2,385 | 70 |

The following are dollar values as quoted on the London foreign exchange market; Danish Kr: 5.28; Escudo: 49.05; Israeli £: 2.61; Peseta: 66.14; Schilling: 139; Sw. Krona: 4.0; Yen: 219.20; Neww. Kroner: 5.19; Ft. Franc: 4.005; Belgian Franc: franc.30.71; Hong Kong: 5.085; Singapore: 2.007; Canadian \$: 77.914 S.1.

(*) Commercial, (b) Amounts needed to buy one pound, (c) Amounts needed to buy one dollar.
 (†) Units of 100. (‡) Units of 1,000.

ECU: European Currency Unit, as quoted in Brussels.

Closing rates or official findings for European currencies, 2pm EST rates for New York.

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Euromarket

Dollar Issues Meeting Resistance;
Prices in DM Sector Fall Sharply

By William Ellington

LONDON, April 29 (AP-DJ) — A new Eurobond issue is meeting resistance from investors as the economic news remains unfavorable.

At the end of the week, nine U.S. dollar bonds and notes totaling \$505 million were on offer. Since the issue activity has been considerable over the past few weeks, there were signs of indifference.

One of the recent offerings broke through the large discounts from issue price.

Moreover, the market for Deutsche mark denominated Eurobonds encountered the biggest sell-off of the year with weekly declines ranging up to 3 1/2 points. German banks stopped supporting the market, apparently in the belief that medium-term interest rates could rise above 8 percent before long from the present level of 7-7 1/2 percent.

An indication that dollar bonds were not selling well came from a \$75-million, 20-year issue of Hydro Quebec. It was quoted Friday at 96 1/2 bid, 97 offered after being placed at 99 1/2, a coupon of 10 percent to yield 10 1/2 percent at maturity. At 96 1/2 bid, the yield was raised to 10 1/2 percent.

Eurobond salesmen said the relatively long maturity and high coupon rate of the issue should appeal to those investors who believe that short-term interest rates have already reached a peak for the present cycle. But apparently there are not that many investors who are willing to commit money on the basis of this theory and so bonds were left with underwriters.

Midwest investors turned thumbs down on a \$75-million, 10-year issue of the European Investment Bank carrying a coupon of 9 1/2 percent. The issue, sold by a mostly Arab syndicate led by Kuwait Foreign Trading Co., broke for trading at 97 1/2, down from issue price of 98.

(Continued on Page 11, Col. 1)

Market

NEW YORK, April 29 (NYT) — On Friday, the Federal Reserve apparently pushed rates higher in the money market for the first time since December, and in the process sent the stock market into a modest retreat. It was enough to cause the Dow Jones industrial average to finish at 856.64, down a razor-thin 0.34 points for the week.

The Fed moved after the consumer price index for March increased at a pace that produced a first-quarter compounded inflation of 13 percent, the highest rate in four and a half years.

It was a week when Merrill Lynch raised its research rating on Xerox stock, when Fairchild Camera received a proposal to combine with Gould Inc. and when petroleum refiners found their shares almost as much in demand as their gasoline.

The most spectacular action was seen in Crown Central Petroleum on the American Stock Exchange. After reporting spectacular first-quarter profits on Thursday, Crown Central's stock soared more than a dozen points to record highs. (Fairchild Camera, the target of recurring merger rumors in recent weeks, rose more than 8 points the same day.)

Along with such other companies as Clark Oil & Refining and United Refining, Crown Central is a beneficiary of special gasoline price increases authorized by the Government.

Meanwhile, in a quiet office at 120 Wall Street, Patrick Kildoye went about his business as portfolio manager for First Investors Discovery Fund. This mutual fund is rated by Lipper Analytical Services as the top performer among 44 capital-appreciation funds with assets of under \$25 million. So far this year, First Investors Discovery has seen its per-share asset value appreciate by 24 percent. What's his approach to investing? "What does he look for and what does he avoid?"

"This fund, as it turns out, is hardly a swinger in the stock market. 'We try to dig out situations on our own and not run with the crowd,' Mr. Kildoye states. 'Also, we like to take a cautious, value-oriented approach.'"

There are no huge-capitalization issues such as International Business Machines or Du Pont among the fund's holdings. It likes to operate in what Mr. Kildoye describes as the "efficient" sector of the market. This refers to those stocks and groups not followed by a horde of research analysts who issue voluminous reports on big-name companies.

After Mr. Kildoye "discovers" little stocks and other buyers — hopefully — large in, he is happy to sell out at a profit. "I want to get in before the professionals," he says.

"One type of company I buy shows the characteristics of progressive growth in revenues and earnings, while also carrying a low price-earnings ratio," the portfolio manager explains. As examples, he cites Huntington Health Services, Redken Laboratories and Savin Corporation.

Secondly, he favors "unusual situations," which are described as typically fast-growing companies that happen to be experiencing difficulties of one sort or another. Examples of this group range from Chemicon, Child World, Ideal Toy and Kuhn Rik K. Stocks to Optical Coating Laboratories, Revell Inc. and United Buying Service.

A third sector of favored investment is the real estate investment trust. "That's a way to buy undervalued stocks that also own real, tangible assets," Mr. Kildoye explains.

The U.S. Economic Scene
Sears Heeds Carter Plea, Sets Price Cut

By Edward Cowan

WASHINGTON, April 29

(NYT) — Responding to the personal intervention of President Carter, Sears, Roebuck and Co., the largest U.S. retail enterprise, announced Friday that it would reduce some prices this week to stay within Mr. Carter's voluntary price guidelines.

In a second action intended to build credibility for the voluntary price and pay standards, the Council on Wage and Price Stability said that two leading paper firms, the Crown Zellerbach Corp. and the Hammermill Paper Co., were probably violating the price guidelines.

The announcement marked the first time that the administration had made good on repeated threats — including one by Mr. Carter on March 24 — to identify publicly companies believed to be flouting the guidelines.

Both Crown Zellerbach and Hammermill, the council said, contest the finding of "probable noncompliance" on the ground that they are entitled to make use of the exception to the basic price ceiling standard known as the profit-margin test.

Call by Carter

A telephone call President Carter made to Sears Thursday marked the first time that the president had personally intervened with a company over its prices. Until now, no company has flatly refused council requests for a rollback. Two that acquiesced were the Aluminum Co. of America and Scott Paper Co.

The Sears action represented a decided victory for the Carter administration, which has been criticized heavily for its apparent inability to prevent the recent acceleration of inflation. On the other

hand, Crown Zellerbach and Hammermill Paper appeared to be offering just the sort of resistance the council has feared from industrial companies that don't sell directly to the public and presumably worry less about their public relations.

A joint announcement by Sears and the council brought to an end several days of tense negotiations. As recently as Wednesday, officials said Sears was refusing to reduce prices, to the surprise of Barry Bosworth, the council's director.

By Susan Shellenbarger

CHICAGO, April 29 (AP) — Silver futures broke out of a recent price range Friday to lead other precious metals sharply higher on talk of runaway inflation.

Metals traders scurried to cover short or open selling positions, and new inflation-hedge buying emerged as well, analysts said.

Gold futures encouraged the bullish mood as the June contract broke a \$247-an-ounce psychological ceiling that had halted rallies earlier in the week.

Also on the Comex, copper futures gained 5 to 1.45 cents a pound, with May quoted at 90.65 cents. The gain came partly in sympathy with other metals futures, and partly on talk that Zaire's exporting agency will not meet part of its future copper delivery commitments because of reported transportation problems.

On the Chicago Board of Trade, wheat futures scored new life-of-contract highs. Prices rose 4 1/2 to 5 1/2 cents a bushel with the July and September contracts, the first new-crop months, leading the way on talk that continuing cool wet weather both in the United States and the Soviet Union has disrupted spring wheat planting.

Corn futures gained as much as 2 cents a bushel, with the nearby May contract leading the way on talk of possible new export business with the Soviet Union.

Recent exporter buying in corn has triggered continuing talk of exports, and after the close the Agriculture Department said 340,000 tons of U.S. corn has been sold to unknown destinations and 128,000 tons to Yugoslavia, both for shipment before Sept. 30. The department Thursday reported another corn sale of 530,000 metric tons, 200,000 of it for shipment by Sept. 30, to unknown destinations.

On the New York Coffee and Sugar Exchange, coffee futures surged by 3.49 to 5.08 cents a pound, scoring new life-of-contract highs for the second consecutive day in the three most distant of six months.

On the Chicago Mercantile Exchange, wire service reports that a consumer boycott of beef may be brewing in the Midwest triggered a cattle futures selloff led by commission houses and a trade house, an analyst said. Profit-taking contributed to the 1- to 1.17-cent-a-pound decline.

Over-Counter Market

| Sales in 100s | High | Low | Last | Net |
|---------------|------|-----|------|--------|
| Contest | 984 | 675 | 675 | +1 1/4 |
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KCA INTERNATIONAL
1978 profits increase 39%
to £2.742 million

Extracts from the Statement by the Chairman, Paul Bristol, accompanying the 1978 Report and Accounts:

* 1978 was a good year for your Company which consolidated on the improvement shown in 1977. Pre-tax profit increased to a Company record of £2,742,000 from £1,975,000, an increase of 39 per cent. This increase was achieved by the good management and the hard work of everyone, particularly the two main subsidiary companies, KCA Drilling Limited and BW Mud Limited. The reduction of overheads in the Holding Company helped greatly towards this record year. The earnings per share increased from 3.1p in 1977 to 7.1p in 1978.

* An interim dividend of 0.3p per share was paid in December, 1978, with a final of 0.7p being recommended now, making a total of 1.0p per share for the year. I am hopeful that higher dividends will be possible in the future.

* Your Company has been planning, over the last few months, an expansion of its base and its activities worldwide, both in drilling and in drilling muds. It has opened representative offices in Rio de Janeiro in Brazil, in Singapore and in Hong Kong and it is hoped that contracts will be secured in those areas during 1979.

* At home, an agreement has been reached with the French Drilling Company Forasol/Foramer to form a new Company with KCA Drilling Limited which will be based in Aberdeen to bid for new contracts for work in the North Sea and elsewhere.

* The beneficial effect of our gearing over the previous year on the Company's Balance Sheet shows borrowings down from £15,221,000 to £8,429,000 and after approval at the Extraordinary General Meeting outstanding borrowings will be further reduced to £4,539,000.

The Annual General Meeting and Extraordinary General Meeting will be held at the Intercontinental Hotel, London, on May 17th, 1979. Copies of the Annual Report can be obtained from the Company Secretary, KCA International Limited, 5th Floor, Berkeley Square House, Berkeley Square, London W1X 6BY.

Kleinwort Benson
Merchant Bankers

A summary of the Statement by Mr. Robert Henderson,
Chairman of the parent company,
KLEINWORT, BENSON, LONSDALE LIMITED,
in the 1978 Report and Accounts.

Profit after tax was £9,077,000 compared with £7,479,000 for 1977, an increase of 21%. The total dividend of 4.608p per share compares with 4.176p last year. The results to which all our principal activities contributed, are the best we have ever produced.

INTERNATIONAL BANKING
Domestic and international banking operations have shown a healthy growth. Loan business has continued to expand and we have been increasingly active in the syndication of both sterling and foreign currency loans. Well over £100m has been raised for Local Authorities in the past year and our leasing business is highly satisfactory. Our capability in the field of foreign exchange has been of real service to our customers and this area of activity continues to grow in importance.

ACTIVITIES OVERSEAS
In addition to our branch opening in Hong Kong in March 1978, Kleinwort Benson (Hong Kong) has been offering a comprehensive merchant banking service to customers in Asia since June of this year. The first six months of operations, after full provision for start-up costs, show a significant profit. Good results from our subsidiaries in Belgium, Guernsey, Jersey and Switzerland also reflect our international capability.

INVESTMENT
Funds under management further increased to reach around £1,000m by the year end, and investment performance has continued to be of a high standard. Kleinwort Benson McCowen, in which the Group has a 40% interest, has made further useful progress during the year.

CORPORATE FINANCE
Despite reduced activity in the major world capital markets, gross income was not far short of the record level attained in 1977.

PROJECTS
Despite the current low level of international trade and the intense competition faced by British exporters in world markets, the Project Division has a higher volume of export business under discussion than ever before.

BULLION
Sharps Pixley, which is one of the leading names in this field throughout the world, had an excellent year, as did its subsidiaries; profits were well in excess of 1977.

PROSPECTS
Looking ahead, we are faced with the all too familiar background of political and economic uncertainty. In such conditions it is difficult to predict the level of future earnings. We can, however, report that the high level of activity which was a feature of the latter months of 1978 has continued into the current year. We have therefore made a good start. We moreover believe, looking further into the future, that our policy of steadily broadening the scope of our activities and increasing our overseas operations will enable us to maintain and gradually to improve our position in what are highly competitive markets.

20 Fenchurch Street, London EC3P 3DB

BAHRAIN • BRUSSELS • CHICAGO • GENEVA • GUERNSEY • HAMBURG • HONG KONG • ISLE OF MAN • JERSEY • NEW YORK
PARIS • RIO DE JANEIRO • SINGAPORE • SYDNEY • TOKYO
BIRMINGHAM • EDINBURGH

Friday and Saturday Line Scores

[illegible]

| | on | price | Vol. | Last | Vol. | Last | Vol. | Last | Close | Option | price | Vol. | Last | Vol. | Last | Vol. | Last | Close | Option | price | Vol. | Last | Vol. | Last | Vol. | Last | Close |
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Vuckovich Gains 2d Victory

Cardinals Bury Reds on 17 Hits, 12-1

CINCINNATI, April 29 (UPI)—Mike Tyson's second homer of the season started a six-run second-inning burst, and Ken Reitz added a two-run double as the St. Louis Cardinals pounded five pitchers for 17 hits, six of them for extra bases, en route to a 12-1 victory yesterday over the Cincinnati Reds.

Pete Vuckovich, picking up his second straight victory, combined with Silvio Martinez to hold the Reds to four hits.

George Hendrick's bases-loaded single gave the Cardinals two runs in the second inning and they routed Tom Hummer with the six-run burst to the second as they sent 11 batters to the plate.

The Cardinals continued their assault in the fifth inning, bunting a two-run double by Ted Simmons. Vuckovich blanked the Reds without a hit through five innings before Ken Griffey led off the sixth with a single. After Dave Concepcion and Joe Morgan walked to

load the bases, George Foster hit a sacrifice fly for the Reds' run.

Expos 6, Giants 4

At Montreal, Tony Perez drove to four runs with a three-run homer and a single to pace Montreal to a 6-4 victory over San Francisco. The third-inning homer by Perez, his third of the season, came on the first pitch from the Giants' starter, Ed Halicki (1-2), snapping a 1-1 tie and providing a cushion for Scott Sanderson.

Braves 7, Cubs 2

At Atlanta, Dale Murphy took over the National League lead in homers with a two-run shot; his eighth, highlighting a four-run third inning that led Atlanta to a 7-2 victory over Chicago. Atlanta rocked the Chicago starter, Rick Kossel, for four runs in the third. With two out, Jerry Royster and Gary Matthews singled and Jeff Burroughs followed with an RBI double to left. Matthews scored when the Chicago third baseman, Steve Ontiveros, bobbled the relay and Murphy then hit his eighth homer.

Dodgers 3, Mets 1

At New York, Steve Yeager hit a two-run homer and Burt Hooton pitched a four-hitter to power Los Angeles past New York, 3-1. With one out in the fifth, the Mets' left-hander, Pete Falcone (0-1), walked Derrel Thomas. Yeager then hit a 3-2 delivery into the screen halfway up the foul pole in left field for his third homer this season.

Padres 5, Phillies 0

At Philadelphia, Gene Tenace and Dave Winfield each drove in a pair of runs and John D'Aquisto turned in six innings of one-hit relief as San Diego defeated Philadelphia, 5-0, in a game delayed three times by rain. D'Aquisto picked up his second victory against one loss to relief of Randy Jones, who allowed three hits in three innings.

A's 8, Orioles 5

In the American League, at Oakland, Jeff Newman hit a three-run homer and Wayne Gross and Mario Guerrero added two RBIs each, sparking Oakland to an 8-5 victory over Baltimore, snapping the Orioles' nine-game winning streak.

The A's managed only six hits, but Baltimore pitchers walked seven.

Brewers 11, Blue Jays 8

At Toronto, Cecil Cooper singled up the middle in the 10th inning to drive home Gorman Thomas with the go-ahead run and Paul Molitor followed with a two-run triple, giving him five RBIs in the game, to power Milwaukee to its fourth straight victory, an 11-8 decision over Toronto.

Tigers 5, Twins 3

At Detroit, John Hiller protected Kip Young's first victory with 3 1/3 innings of two-hit relief and Dave Goltz, the loser, let in the tie-breaking run with a wild pitch in the fifth inning, as Detroit beat Minnesota, 5-3.

Angels 5, Red Sox 0

At Anaheim, Calif., Dave Frost, making his first start in two weeks,

pitched a six-hitter and Bobby Grich drove in two runs with his sixth homer and a sacrifice fly as the California beat Boston, 5-0, before a sellout crowd of 41,954. Grich's two-out homer in the fifth gave the Angels a 1-0 lead off the loser, Chuck Rainey (1-1), and he added a bases-loaded sacrifice fly in the eighth.

Mariners 3, Yankees 2

At Seattle, Willie Horton's two-out single to the eighth scored Dan Meyer from second base with the winning run, giving the Mariners their second straight triumph over the Yankees, 3-2. Horton's hit hung the defeat on Cal Hulse (0-2).

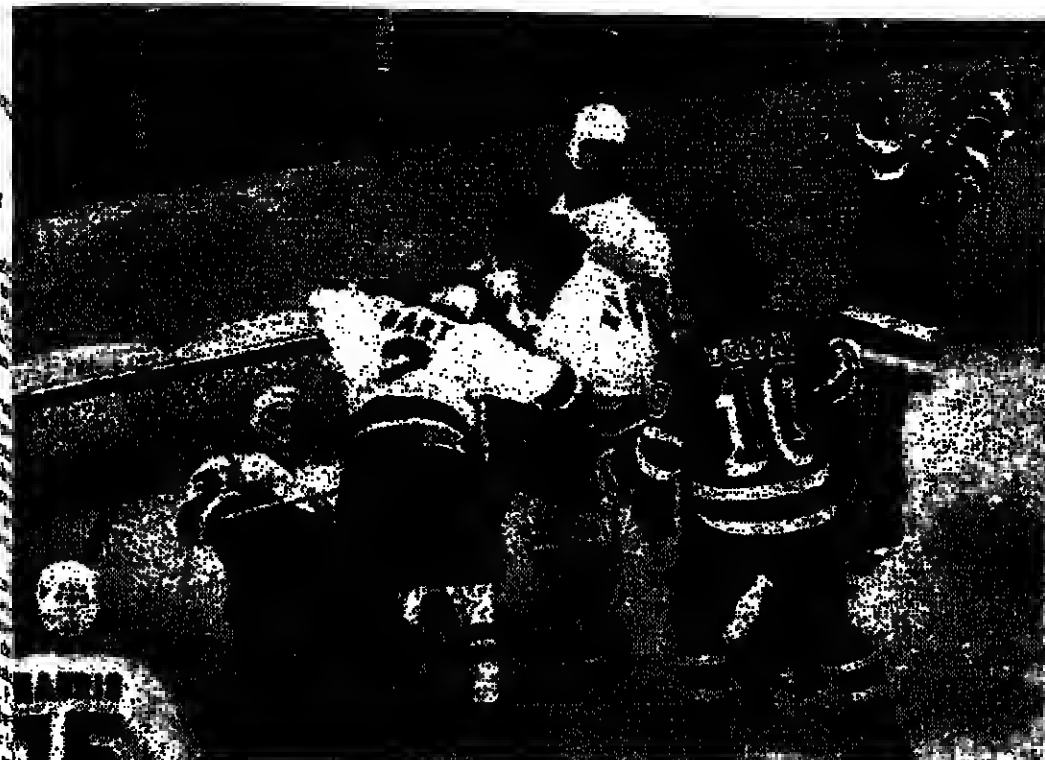
Royals 7, Indians 2

At Kansas City, Al Cowens and Hal McRae hit back-to-back homers to highlight a five-run fourth inning and lead Kansas City

to its sixth straight victory, a 7-2 verdict over Cleveland. Cleveland took a 2-0 lead to the top of the fourth on a two-run homer by Andre Thornton. Kansas City stole five bases in the game for a total of 11 in three games thus far against the Indians.

White Sox 3, Rangers 2

At Chicago, Al Oliver's sixth-inning throwing error allowed Ralph Garr to score the tie-breaking run from third base and push Chicago past Texas, 3-2. Francisco Barrios (2-1) who pitched into the eighth inning, allowed just three hits, including a run-scoring single by Oscar Gamble in the third that tied the game, 1-1, and Mike Jorgensen's homer that put Texas ahead in the fourth inning. Barrios was relieved by Mike Proly, who picked up his fourth save by hurrying the final two innings without allowing a hit.



Bill Smith of the Islanders is driven into the net by Walt Tkaczuk of the Rangers (arms spread) during the Islanders' 4-3 victory. Other Islanders in on the play are Bill Harris (15), Gerry Hart (2) and Mike Kaszycki (21). Doug Dugan (10) of the Rangers also helps out on the play.

Islanders Even Series With Rangers

NHL: Canadiens Also Win

MONROVIE, N.Y., April 29 — Denis Potvin drilled a 40-slap shot off Carol Vadnais at 11:58 of sudden-death overtime last night, giving the New York Islanders a 4-3 victory over the New York Rangers and snatching their first Stanley Cup semifinal since 1977.

But the fans began roaring again when Lemaire fired a shot past the Boston goaltender, Gerry Cheevers, from the left point with the Bruins' Bobby Schumatz serving a tripping penalty.

Bob Gainey, at 18:11, and Mario Tremblay, at 19:05, completed the decisive scoring surge. Guy Lafleur added his fourth playoff goal at 4:50 of the third period and Doug Jarvis scored on a screened shot with 4:17 left in the game.

The Canadiens had 20 shots at Cheevers. The Bruins fired 23 at the Montreal netminder, Ken Dryden.

WHA: Jets Increase Lead

WINNIPEG, Manitoba, April 29 (UPI)—Rich Preston and Peter Sullivan scored two goals each for Winnipeg as the Jets defeated the Quebec Nordiques Friday night, 9-5, and took a 3-0 game lead in their best-of-seven World Hockey Association semifinal series.

Real Cloutier opened the scoring for Quebec at 3:16 of the first period on a long slapshot. Preston tied it for the Jets and Steve West's power-play goal put the Jets ahead at 19:14. Curt Brackenbury's slapshot made it 2-2 at 4:52 of the second period and a 20-foot blast by Danny Geoffrion then gave the Nordiques their only lead of the night.

The Jets scored twice to regain the edge on goals by Paul Tremblay and Sullivan, but Quebec dead-ended it with less than two minutes to play in the second period, when Paul Boudreau was set up in front of the net by Geoffrion.

WHA: Oilers Win

The eventual winning goal was Sullivan's second goal of the night at 13:45 of the third period. Other Winnipeg scorers in the third period were Preston, Roland Eriksson, Morris Lukowich and Willy Lindstrom. Marc Tardif added Quebec's fifth goal.

Oilers 9, Whalers 5

At Edmonton, the Oilers skated to a 9-5 victory over New England to take a 2-0 lead in their semifinal series.

"The Oilers probably have had tougher practices," said Don Blackburn, the Whaler coach.

Brett Callaghan led the way with three goals, while linemates Wayne Gretzky and Blair MacDonald had one each — bringing the trio's goal production in the first two games to eight.

Dave Semenko, with two, Bill Flett and Al Hamilton were the other Edmonton marksmen. It was the first time that the Oilers have won two games to a WHA playoff series.

Suns Oust the Kings From NBA Playoffs

PHOENIX, April 29 (AP) — Paced by Paul Westphal's 32 points, the Phoenix Suns defeated the Kansas City Kings Friday night, 120-99, and won their NBA Western Conference semifinal series, four games to one.

Phoenix will meet the SuperSonics in Seattle on Tuesday as they open their best-of-seven series for the Western Conference crown.

"I thought it was an excellent first half for us," said John MacLeod, whose Suns took a 70-46 halftime lead. "Kansas City did not shoot the ball well, and we played well, except for the offensive boards. I think this is really the first time that Kansas City had dominated the boards."

Sam Lacey, Kansas City center, agreed.

"I thought we came to play but we just couldn't get the shots to fall," said Lacey, who wound up with a team-high 10 rebounds. "We got 29 offensive rebounds but we just didn't capitalize on it. The effort was there but again we just played poorly offensively."

The second period proved to lead to the Kings demise as they were able to hit only 18 percent of their shots from the field, connecting on five of 28 attempts. The Suns, meanwhile, outscored the Kings, 40-25, in that period, with Westphal picking up half of his 24 first-half points along the way. In that 12-minute stretch, Westphal was 4-4 from the field and 4-4 at the free throw line.

WHA Playoffs

- Semifinals (Best of Seven)**
- Series 6**
Winnipeg vs. Quebec (Winnipeg leads series, 3-0)
April 22—Winnipeg 6, Quebec 3
April 25—Winnipeg 9, Quebec 2
April 28—Winnipeg 9, Quebec 5
April 29—Quebec at Winnipeg
x-May 1—Winnipeg at Quebec
x-May 3—Quebec at Winnipeg
x-May 5—Winnipeg at Quebec
x-If necessary
- Series 7**
Edmonton vs. New England (Edmonton leads series, 3-0)
April 26—Edmonton 5, New England 2
April 29—Edmonton 5, New England 5
May 1—Edmonton at New England
x-May 3—New England at Edmonton
x-May 5—Edmonton at New England
x-May 7—New England at Edmonton
x-If necessary

NHL Playoffs

- Semifinals (Best of Seven)**
- Series 1**
N.Y. Islanders vs. N.Y. Rangers (Series tied, 1-1)
April 28—N.Y. Islanders 4, N.Y. Rangers 1
April 29—N.Y. Islanders 4, N.Y. Rangers 1 (OT)
April 30—N.Y. Islanders vs. N.Y. Rangers
x-May 1—Rangers at N.Y. Islanders
x-May 3—Islanders at N.Y. Rangers
x-May 5—Rangers at N.Y. Islanders
x-May 7—Islanders at N.Y. Rangers
x-If necessary
- Series 2**
Boston vs. Montreal (Montreal leads series, 3-0)
April 28—Montreal 4, Boston 2
April 29—Montreal 5, Boston 2
April 30—Boston at Montreal
x-May 1—Montreal at Boston
x-May 3—Boston at Montreal
x-May 5—Montreal at Boston
x-If necessary

NBA Playoffs

- Conference Semifinals (Best of Seven)**
- Eastern Conference**
Atlanta vs. Washington (Series tied, 2-2)
April 15—Washington 103, Atlanta 89
April 17—Atlanta 107, Washington 97
April 20—Washington 108, Atlanta 118 (OT)
April 22—Atlanta 105, Washington 100
April 25—Atlanta 104, Washington 80
April 28—Atlanta at Washington
x-May 1—Washington at Atlanta
x-May 3—Atlanta at Washington
x-May 5—Washington at Atlanta
x-May 7—Atlanta at Washington
x-If necessary
- Western Conference**
Phoenix vs. Kansas City (Phoenix wins series, 4-1)
April 17—Phoenix 105, Kansas City 97
April 19—Kansas City 111, Phoenix 97
April 22—Phoenix 108, Kansas City 94
April 25—Phoenix 105, Kansas City 94
April 28—Phoenix 105, Kansas City 94
x-May 1—Phoenix at Kansas City
x-May 3—Kansas City at Phoenix
x-May 5—Phoenix at Kansas City
x-May 7—Kansas City at Phoenix
x-If necessary



Darrel Porter slides across the plate with the Royals' 7th run as the Indians' pitcher, Len Barker, awaits the return of his wild throw during Friday's game, which was won by Kansas City, 15-7.

A Reporter's Notebook

The Serendipitous Side of Moscow Hockey

By Samuel Abt

MOSCOW (IHT) — There were many moments at the just-ended World Ice Hockey Championships that brought the crowd to its feet, but the first of them was a misunderstanding.

Just before the opening game, between Canada and the United States, players from both teams lined up along their blue lines. As had been rehearsed, the loudspeakers in the Central Army Sports Palace then began blaring the fanfare of the International Ice Hockey Federation, a pompous piece for trumpet and organ that opened each game.

When the music started, the 3,000 fans quickly rose and some even took off their hats. A Russian-speaking Canadian student reported later that two Muscovites behind him had argued about exactly whose national anthem it had been, the Americans' or the Canadians'.

organizations, a tractor factory on target here, a meritorious bureau there.

The tickets were then distributed by lot and the boss knew all along that the absent worker was at the hockey game.

The Soviet fans usually sat in silence during the games, occasionally breaking into the chant of "shabui" (pronounced shay-boi, it means simply "goal.") After a goal, the fans often chanted "moloditsi" ("well done, boys") followed by applause.

Usually, however, there was silence so total that the only noise in the vast Sports Palace was the whoosh of skates on ice.

This changed whenever the Czechs played. The 500 or so Czech fans sounded like 5,000 of anybody else and they were well-placed acoustically in their end-zone seats to let everybody hear their fervor. The Russians always reacted by whistling in disapproval but not by attempting to drown out the Czech cheering with their own.

The Czechs' favorite rallying cry was "do to it," pronounced doo ice hoe, it means "go to it." To the ear untrained in the Czech intonation, the cry sounds remarkably like "deck the hall." In Prague, screamed by 10,000 fans at the last world championships, it sounded like the end of the world, not with a whimper but a bang.

Tournament officials seemed concerned at reports that the United States and Canadian teams had brought food with them to Moscow, as if this was a slur on the accommodations here.

"We hear that they have brought their own steaks, milk and even bread," a Russian said with a hurt look. An unofficial investigation confirmed that the Americans had indeed brought some steaks, but not much else.

The Canadians were less inclined to live off the land. They flew to such assorted staffs of life as peanut butter, ketchup, cold cuts, chocolate bars and beer.

It was possible, in the hospitality lounge run by a Canadian brewery, Carling O'Keefe, to drink a Canadian ale while eating a sandwich of Canadian pickle loaf, heavy on the Canadian mustard — but the bread was definitely Russian.

Depaillier Captures Spain Grand Prix

STRASBURG, April 29 (UPI) — Patrick Depaillier, led from flag to finish today to win the Spanish Grand Prix scoring the second Formula 1 victory of his career and the first of the season for Ligier.

The 34-year-old Frenchman led ahead of the pole-sitter, his teammate, Jacques Laffite, at the 75 laps around 158.30 miles twisting Jarama circuit and

steadily pulled out an impressive lead over Carlos Reutemann of Argentina, who finished second, in the Lotus 79.

With the victory Depaillier jumped into a tie for first place in the season's standings with Gilles Villeneuve of Canada, the Ferrari ace.

Mario Andretti, the world champion, racing in the new Lotus 80 for the first time, was third, and Jody Scheckter of South Africa finished fourth in a Ferrari.

Jean Pierre Jarier of France was fifth in a Tyrrell and his teammate, Didier Pironi, also of France, sixth.

Laffite, winner of the first two races of the season, withdrew from the race after 25 laps while Villeneuve, winner of the other two races, went off the track twice and never managed to challenge.

Niki Lauda of Austria, in a Brabham, bowed out on the 65th lap after a scowling battle with Scheckter for third place.

Scheckter clocked the fastest lap of the race at 1:16.64. Andretti set the old record last year at 1:20.6.

- Grand Prix Standings**
1. (16) Gilles Villeneuve, Canada, 20 points.
2. Patrick Depaillier, France, 20.
3. (16) Jacques Laffite, France, 10.
4. Carlos Reutemann, Argentina, 10.
5. Jody Scheckter, South Africa, 10.
6. Mario Andretti, U.S., 10.
7. Jean Pierre Jarier, France, 7.
8. (16) John Watson, Britain, 4.
9. Alan Jones, Australia, 4.
10. (16) Niki Lauda, Austria, 1.
11. Emerson Fittipaldi, Brazil, 1.

Day Wins Main Open Golf

STRASBURG, April 29 (UPI) — In a Hobday of Rhodesia shot a round two-under-par 74 over a 928-yard Puerto de Herreria today to win the \$10,500 prize to the Madrid Open Golf tournament.

Day, 38, finished with a 72-total of 285, two shots ahead of nearest rivals, Gordon Brand and Tienie Britz of South Africa, both shot three-under-par to move through the field and second place with Tito Abreu (73) at 287.

Howard Gallacher, 30, a British Cup player, who finished in last week's Spanish Open, tied a level par 72 for fifth on 288.

Italy Grand Prix To Rotate Sites

ROME, April 29 (AP) — The Italian Auto Racing Commission has decided to rotate the Italian Grand Prix at the race tracks in Monza, Imola and Mugello.

This September's Formula One race is expected to be held as usual at Monza, where work is already under way to improve safety conditions as demanded by drivers, and shift to Imola in 1980.

Staub Ends Holdout With Tigers

DETROIT, April 29 (UPI) — Rusty Staub yesterday agreed to rejoin the Detroit Tigers, saying that he would be in uniform Tuesday, when the club is in Chicago for a series against the White Sox.

Staub, 35, apparently was abandoning his demand for a three-year extension of his contract, which has two seasons yet to run. He has not been paid this season because he did not report for spring training and was placed on the disqualified list when the season opened.

Staub has been running at his home in Houston and New York and has taken some batting practice, but he probably will need about two weeks of serious practice before he can rejoin the lineup on a full-time basis.

Philip McLaughlin, Staub's representative, notified Jim Campbell, the Tigers' president-general manager, that Staub had agreed to join the club under the terms of his current pact.

"Rusty is confident that his future with the club will be resolved during the season," McLaughlin said.

Campbell said that "sometime later in the season" or "at the end of the season" he would meet Staub and McLaughlin to discuss the hitter's future with the Tigers.

After Accident in U.S.

Bonn Indicates Freezing Of Big Nuclear Project

From Agency Dispatches

BOON, May 4 — The West German government signaled a delay in its ambitious nuclear energy program yesterday, in an apparent bid to defuse criticism after the nuclear accident five weeks ago at Three Mile Island in the United States.

Government sources confirmed reports that plans for the country's proposed nuclear waste storage complex at Gorleben, in Lower Saxony near the East German border, would be sharply curtailed for the time being.

The planned \$6 billion complex — West Germany's biggest industrial project — was to provide nuclear waste treatment and reprocessing facilities, as well as an ultimate burial site for waste in underground salt domes. Provision for waste disposal is a statutory prerequisite for the construction of new nuclear power plants in West Germany.

Government sources indicated that plans for the waste reprocessing unit were being dropped for the time being, and that waste burial in the salt domes might now be regarded as only a temporary solution.

The move is seen as a strategic retreat by the government of Chancellor Helmut Schmidt from its strong support of nuclear power, in the face of increasing anti-nuclear protests in the country. The pro-

tests often link the Gorleben project and Harrisburg.

The delay gives the government time to consider the staying power of the anti-nuclear forces on the national political scene. It should avert a clash between Mr. Schmidt and the anti-nuclear wing of his Social Democratic Party before the national elections due next year.

The decision on temporary curtailment of the waste disposal plan followed a meeting on Monday between Mr. Schmidt and Ernst Albrecht, governor of Lower Saxony. Mr. Albrecht, a Christian Democrat, reportedly told the chancellor that a pending license for the reprocessing plant would not be approved.

The state government's final decision on the project is not expected to be made public until May 16. Apparently anticipating the decision, Economy Minister Otto Lambrecht said on Wednesday that the core of the country's energy policy was the integrated nuclear waste disposal site at Gorleben, even if there should be changes in the timing.

A delay in the West German project would be welcome in the United States. President Carter announced in May, 1977, that the United States was deferring indefinitely its own plans for reprocessing nuclear waste.

The U.S. announcement was widely interpreted as an indirect appeal to other countries to await the outcome of the International Nuclear Fuel Cycle Evaluation. This study, supported by 30 countries, is examining the long-term problems of supply, power generation and disposal of radioactive waste. It is due to be completed late this year or early next year.

Military By-Product

Because the reprocessing technology produces weapons-grade plutonium, the Carter administration fears that reprocessing plants could contribute to proliferation of nuclear weapons. West Germany is so far the only other country to announce delay of a reprocessing project.

Britain and France are the only European countries with reprocessing facilities in operation. In addition to the Marcoule military plant, France has a commercial reprocessing plant at La Hague. Besides handling their own radioactive waste, the French have big reprocessing contracts with Japan, Sweden and West Germany. France intends to use the plutonium by-product in its new fast-breeder reactor.

The French government has said that it intends to maintain its nuclear program. A poll published this week found that 62 percent of the French public favored the program.

Britain, which plans to expand its Windscale nuclear reprocessing plant, has signed a contract to dispose of Japanese waste. The British and French plants are of about the same size as the Gorleben project.

If West Germany cancels the Gorleben project, the Bonn government will have no way to dispose of the radioactive waste from its nuclear-power plants, other than export or burial. West Germany has a contract to build a similar reprocessing facility for Brazil.



Workers clear rubble, including hundreds of destroyed files, after raid on Soweto police station.

1 Dead, 4 Injured — Building Burns

Raiders Attack Soweto Police Station

JOHANNESBURG, May 4 (AP)

Three black guerrillas stormed a police station in the black satellite city of Soweto last night, killing a black constable and injuring two other black policemen and three civilians before setting the building ablaze.

A police spokesman said that the

guerrillas threw grenades, sprayed automatic fire and burned the three-story building to the ground, then escaped into the night. They scattered leaflets calling for support of "Umkhonto We Sizwe" (Spear of the Nation), the militant wing of the banned African National Congress.

Officials called the raid the bold-est yet by guerrillas in South Africa. Police set up roadblocks and made house-to-house searches today in Soweto, which has a population of one million. The township was quiet.

The dead policeman was named as Brian Temba, assigned as a guard at the front gate of Moroka police station in Soweto. He was said to have been hit by an initial burst of gunfire when the guerrillas charged. Another black policeman, Edward Moremi, was reported to be in serious condition. The other wounded, including a woman civilian, were treated at a hospital for minor injuries and released.

First Major Attack

The raid was the first major attack on a police station by black insurgents, although bombings caused slight damage at another Soweto police station in 1976 and at a Johannesburg station in 1977.

Late last year there were two incidents near the Botswana border west of here. In one, a white police sergeant was wounded in a guerrilla ambush. In the other, guerrillas threw a hand grenade at a police patrol but it failed to explode.

In June, 1977, two white men were killed when three black youths armed with submachine guns entered a department store warehouse in downtown Johannesburg. The investigation indicated that this was not a planned attack but rather a panic reaction after the men believed that they had been spotted.

One of the trio was beaten so badly at the time of his arrest that he was declared unfit to stand trial and is now in a mental institution. Another fled the scene. The third, Solomon Mhangula, was banded last month.

Friend of Nixon Is Found Guilty Of Tax Evasion

SAN DIEGO, May 4 (UPI) — A Superior Court jury yesterday convicted financier Arnold Smith, the former head of the collapsed U.S. National Bank and a political ally of Richard Nixon, on one count of state income tax evasion stemming from his business dealings in the early 1970s.

The jury also found Mr. Smith not guilty of one count of grand theft involving his sale of the San Diego Padres major league baseball team in 1974. Mr. Smith, 80, could face a maximum state prison term of five years and a \$2,000 fine on the conviction for state income tax evasion.

The jury returned the verdict in its ninth day of deliberation following an eight-month trial, the longest and costliest criminal trial in San Diego County history. A total of 65 witnesses testified in the trial during which 2,000 documents were introduced as evidence.

It was in the 1970s, when he was secretary of state for education and science, that he began to receive national notice, some of it bad, particularly after he took the unpopular step of cutting back the free-milk program in the schools.

That is the only Cabinet position prices have averaged about seven tablets of gold, but passages are said to be available for less.

Vietnamese who did not hold important positions under the old regime can in some areas buy Chinese identity cards with little trouble for two gold tablets, witnesses here said.

Some refugees think that Vietnam's new government will build temporary shelters — all said in Vietnam to be scarce in Malaysia.

Often, according to witnesses, relatives of those departing are allowed to offer farewell gifts.

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The Thatcher Credo: 'Free Choice Is All'

(Continued from Page 1)

controlled," she once explained. "I was brought up to be. My parents taught us that you never lost your temper, at least not in public — that you didn't complain, you counted your blessings."

That control, which enables her to answer questions crisply and logically, is also one of the problems of her public image; it leads some people to the conclusion that her appearances are contrived and artificial. After a careful program of study with media advisers — it is said to have included humming to make her voice less shrill — she has gotten over the habit of never permitting interruptions by television interviewers. She has also learned to be a better listener, or at least to look like one.

"It all seems so practiced and polished," said a businessman who knows her casually, "that I sometimes wonder who the real Margaret Thatcher is." The real Margaret Thatcher, a prosperous retired business executive 10 years her senior, was brought together 30 years ago by their common interest in Conservative politics, and although he has never run for office, she says that he is a principal adviser. Both he and their two unmarried children, 25-year-old twins named Carol and Mark, worked in the campaign. Her husband shepherded the candidate through crowds, sometimes murmuring, "Walk, dear, don't talk."

The Thatchers live in a neat, three-story brick town house in a stylish part of Chelsea, between King's Road and the Thames. She said before the campaign began that if she won she would happily make the two-mile move to No. 10 Downing Street, the prime minister's residence, adding, with characteristic confidence, that she would make sure it had some "nice cozy furniture because I intend to be there a long time."

Margaret Hilda Roberts was born on Oct. 13, 1925, in Grantham, a small town 100 miles north of London, where her father, Alfred, a shoemaker's son, ran a grocery store. The Robertses lived over the store in a modest apartment that had no indoor toilet.

Through the business prospered over the years, Mrs. Thatcher's background is anything but privileged, which confounds liberal critics of her uncompromising conservatism when they try to portray her upbringing as typically Tory.

Her father, Alfred, who was active in local politics and encouraged Margaret's interest in books, was a major force in her life, she says, teaching her that "you do not follow the crowd because you are afraid of being different; you decide what to do yourself and if necessary you lead the crowd."

Mr. Roberts was also a Methodist lay preacher, and Mrs. Thatcher's upbringing had a religious basis that directly influences her political thinking.

Margaret Roberts attended Grantham Girls' School and went on to Somerville, a women's college at Oxford, where she became the president of the University Conservative Association. She was 24 when she met her first husband, Denis, who was then a chemist when she met her first husband, Denis. Trying again, she was elected in Harold Macmillan's 1959 sweep, and she has been in Parliament ever since, representing a comfortable middle-class neighborhood, Finchley, in north London. She also switched from chemistry to a lucrative practice in tax cases in court after being called to the bar in 1953.

It was in the 1970s, when she was secretary of state for education and science, that she began to receive national notice, some of it bad, particularly after he took the unpopular step of cutting back the free-milk program in the schools.

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that Mrs. Thatcher has held — she was joint parliamentary secretary to the minister of pensions and national insurance in the early 1960s — making her relatively inexperienced for the prime ministry. Soon after being elected party leader in 1975, she reacted with typical vigor and directness to allegations of inexperience. She made a successful and well-publicized swing through the United States; her attacks on the Soviet Union provoked it to protest and to refer to her as "the iron lady," an epithet that so delighted her that she is still talking about it.

Mrs. Thatcher cites the economic resurgence of continental Europe in

contending that the Labor Party is responsible for the decline of Britain. The trouble is, she said recently, that traditional British attributes such as initiative and innovative skills "can no more flourish in the wrong climate of government than seeds can grow and bear fruit in a drought."

The solution that she proposes is an outlook that she professes to share with "the ordinary, quiet people who work hard, pay their taxes, look after their families and who like to feel that what they are doing is not only useful but right." Her is less taxation, more law and order, restraints on union power and less governmental interference.

Brussels Expecting Shift In U.K.'s Policy on EEC

(Continued from Page 1)

the U.S. world role and anxious to build up Europe as a counter.

Thus, any narrowing of the political divide between Britain and its continental partners under Mrs. Thatcher's administration is likely to be matched by some loosening of the close ties the outgoing Labor government enjoyed with the Carter administration.

There is also speculation in diplomatic circles that the gradual emergence of an informal political alliance between Britain, France and Germany as Europe's three most powerful countries, will lead in time to the emergence of new defense links between them that reflect Europe's concern at the Soviet military buildup and its doubts about the Carter administration's true commitment to NATO.

Mrs. Thatcher has repeatedly called for closer defense ties between the nine Common Market countries within the NATO framework. And there are persistent reports in Paris that the French government wants to cooperate with Britain and Germany on strengthening ties.

These are all formidable tasks European diplomats readily concede. But they argue that Germany and several other EEC members are sympathetic to much of the British case. What they are looking for, however, is an assurance that Britain is basically pro-European and this is why a change of government and diplomatic style could prove of decisive importance.

Carter to Burn Wood for Heat At White House

DES MOINES, Iowa, May 4 (UPI) — President Carter will put a wood-burning stove in the White House next winter, he said today in a speech to a group of Iowa visitors on energy matters.

The President, after disclosing that 750,000 Americans had bought wood-burning stoves to heat their homes last year, added that he would do the same. He did not say where the stove would be installed in the historic mansion.

Mrs. Thatcher Takes Office As British Prime Minister

(Continued from Page 1)

ister, an Oxford-educated chemist and lawyer, was reaching the pinnacle of her public life, other well-known figures lost their seats in the Tory tide. Among them were Shirley Williams, the secretary of state for education and science in the Callaghan government, and Jeremy Thorpe, the former Liberal Party leader who will stand trial Tuesday for conspiracy and incitement to murder.

The Tories' most damaging loss was that of Teddy Taylor, the party spokesman on Scotland, who yielded his seat at Glasgow Cathcart to John Maxton, the nephew of one of the founders of the Labor Party.

David Owen, the boyishly handsome foreign secretary under Mr. Callaghan, successfully defended his narrow majority at Plymouth. The national trend and the controversies stirred by his policies and personality had suggested that he might be beaten.

With results declared in all 635 constituencies, the standing of the parties was: Conservative, 339 seats, 13,697,753 votes (43.9 percent); Labor, 268 seats, 11,509,524 votes (36.9 percent); Liberal, 11 seats, 4,313,931 votes (13.8 percent); Scottish Nationalist, 2 seats, 504,259 votes (1.6 percent); Welsh Nationalist, 2 seats, 132,544 votes (0.4 percent); Ulster and others, 13 seats, 1,062,779 votes (3.4 percent).

For the Liberals, it was a frustrating election. They failed in their attempt to put together a centrist bloc of 20 to 30 members that would prevent the major parties from gaining an overall majority. In addition to Mr. Thorpe's seat, they also lost that of their deputy leader, John Pardoe, in Cornwall North, and that of Emyln Hooson in Wales, which the party had held since 1880.

The Scottish Nationalists, who two years ago seemed on the verge of winning a majority of the Scottish seats, lost nine seats, retaining only two. The leader of the Welsh Nationalists also was beaten as a two-party dominance suddenly reasserted itself after 10 years of increasing success by minor parties.

Callaghan's Farewell

Mr. Callaghan attributed his party's defeat, at least in part, to what he described as "the memories of the past winter." At a farewell news conference, he offered his congratulations to the new prime minister and said that it was a tremendous moment in the country's history to have a woman occupy that office.

But he remained his strong-willed self, insisting that he had no

regrets about his campaign and saying that "I think we told the truth as we saw it, or tried to. Then he left for his farm in Sussex."

No immediate move to unseat him as party leader is expected, though many Labor loyalists remember that Mr. Callaghan refused to call an election in October, when the party seemed a strong position. Others will argue that with a few minor concessions to the Scottish Nationalists, Mr. Callaghan, 67, might have avoided the vote of confidence that he lost in March, forcing yesterday's election.

Mrs. Thatcher, who is the daughter of a coal miner, assumed her job after a meager apprenticeship in which her only ministerial post was secretary of state for education and science under former Prime Minister Edward Heath. She plunged immediately into round of conferences and phone calls before sitting down to working dinner with close associates.

She expects to have most of all of her Cabinet ready to announce tomorrow evening. William Whitelaw was the home secretary, Lord Carrington Francis Pym the likely foreign secretary and Sir Geoffrey Howe likely chancellor of the exchequer. It was not clear what job the prime minister had in mind for her economic tutor, Sir Keith Joseph.

Mrs. Thatcher used one of her favorite phrases before crossing the threshold of No. 10 today. "There's work to be done," she said.

Unions Disappointed

LONDON, May 4 (Reuters) Britain's trade unions, which campaigned for the Labor Party, said Mrs. Thatcher's victory with disappointment.

But Tom Jackson, chairman of the Trades Union Congress, said that the unions would not seek obstruct or sabotage the new government. Another union leader, David Bassett of the Municipal and General Workers' Union, pledged that his members would not use their industrial power for political ends.

The unions have bitterly criticized Conservative proposals to limit picketing and to end closed shop at many workplaces. The Conservatives also want unions to organize secret ballots to decide on strike action.

Meanwhile, there was excitement on the London Stock Exchange over the Conservative victory. Financial Times index of key industrial shares closed at 538.6 record.

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